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# INDUSTRY AND PROGRESS

NORMAN HARGOOD

ADDRESSES DELIVERED IN THE PAGE  
LECTURE SERIES, 1910, BEFORE THE  
SENIOR CLASS OF THE SHEFFIELD  
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## INDUSTRY AND PROGRESS





## CHAPTER I.

### EMPLOYMENT.

Why, in ancient history, do we read so little of how most men lived? In the Rome of Julius Cæsar the plebeians were much more numerous than the aristocrats and middle class combined, yet the most assiduous research will give them in fragmentary glimpses only. We know vaguely that they slept crowded in unsafe tenements, but as that condition gave to the owners and statesmen no concern, history has encumbered itself with no details. The plebeian was of as slight human moment as the slave. He was "fickle," "violent" or "dirty," but few other adjectives were needed for him. In Greece also manual labor was lowering, and masses of the population were looked upon without respect. Such thinkers as Aristotle and Plato believed the higher attributes of man were inconsistent with ordinary labor. Cicero observes that "all gains made by hired laborers are dishonorable and base." Their work is "slavish," and "all retail dealing may be put in the same class. . . . The work of all artisans is sordid. *There can be nothing honorable in a workshop.*" This view, that the common forms

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## INDUSTRY AND PROGRESS

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of labor and of business, instead of being dignified, were degrading, lasted until within a century. Sympathetic attention given to the lives and occupations of the many is the great spiritual progressive step of our time.

Whether or not the fate be a blessing or a curse, man must forever struggle to live, and we are no longer satisfied that this strife with nature shall be rendered gloomy and hopeless for the many. Work is beneficent in moderation, killing in excess, and the ideal toward which we climb is so to arrange our world that no man shall be injured by labor, while all shall share it. Nobody of free intelligence now looks upon it as an honor to live upon the sweat of another's brow. Today wealth puts a just man in an attitude of apology. He feels the need of showing that his wealth is so employed as to benefit the race. Complete idleness and wasteful luxury are badges of failure. Some of those now listening here will be manufacturers, some lawyers, others legislators. Wherever you are, these fundamental questions of human worth will offer themselves. Some of you will be conducting small businesses; on a minor scale you will be employing men. Their destinies, and the destinies of their wives, children, and gen-

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## EMPLOYMENT

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erations after them, will be partly in your hands. I say, without any distrust, that it takes as much—nay, more—ability, character and virtue to carry on a retail grocery, without loss and yet with justice, than it does to fill with credit a seat in the Senate of the United States. To conduct any business with honesty and profit tests a man to the very full. The founder of this course knows one place where devoted strength is needed most. He is himself a business man. He realizes that the momentous questions of our day are business questions. No political or social scheme will work unless the country is supplied with men who live up to high standards in private enterprise. “To whomsoever much is given, of him shall much be required.” Without that motto there can be no advance. The more we go forward, the more clearly we hear the calls of the submerged. No man who has used money in industry, and used it for betterment, can feel that his life has been without its worth. Carlyle said that the time approached when one who had no light to shed on industrial problems could make no claim to leadership, and this saying is as applicable to private life as to public glare—to the housewife as to the millionaire. Our citizenship will not be right

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## INDUSTRY AND PROGRESS

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until we measure success not by size, or victory over others, but by justice and victory over error. The desire to surpass is tonic in proportion, poison in excess; poisonous beyond exaggeration, when it means willingness to crush the undefended.

“Such hath it been—shall be—beneath the sun  
The many still must labor for the one.”

Perhaps. The one for whom the many labor is worse than criminal if he is relentless in his vantage post. Says Huxley:

“Any social condition in which the development of wealth involves the misery, the physical weakness and the degradation of the worker, is absolutely and infallibly doomed to collapse. Your bayonets and cutlasses will break under your hand, and there will go on accumulating in society a mass of hopeless, physically incompetent and wholly degraded people, who are, as it were, a sort of dynamite which sooner or later, when its accumulation becomes sufficient or its tension unbearable, will burst the whole fabric.”

Other civilizations have risen and gone. Ours looks stable, and has lasted for centuries, but nothing can so much protect it from overthrow as a satisfying solution of social inequalities. Happily our progress is undoubted. I have spoken of the superior social ethics of our time. Even with-

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## EMPLOYMENT

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in comparatively few years a change has taken place which is thus described in "The Labor Movement" by Professor Ely:

"The length of a day's labor varied from twelve to fifteen hours. The New England Mills generally ran thirteen hours a day the year round, but one mill in Connecticut ran fourteen hours, while the length of actual labor in another mill in the same state, the Eagle Mill at Griswold, was fifteen hours and ten minutes. . . . Windows were nailed down and the operatives deprived of fresh air, and a case of rebellion on the part of one thousand females on account of tyrannical and oppressive treatment is mentioned. Women and children were urged on by the use of a cowhide, and an instance is given of a little girl, eleven years of age, whose leg was broken with a 'billet of wood.'"

As we continue our advance, ever new heights become accessible and righteous demands increase, and the only road is to live up to the best visions opened from the ground already won. The present movement of investigation, although in its highest aspect a movement of undoubted right, is in another aspect a policy of insurance for all in our civilization that we deem best worth the saving.

In a striking passage of his "Social Problems," Henry George speaks of the increasing depend-

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## INDUSTRY AND PROGRESS

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ence upon the virtues of our fellows which is forced upon us by the growing specialization of all life. Those who live today "may travel at a speed incredible to the savage; but in doing so resign life and limb to the care of others. A broken rail, a drunken engineer, a careless switchman, may hurl them to eternity." As society develops, therefore, a higher and higher degree of social intelligence is required. Once each family produced its own food, made its own clothing, built its own house, and if it moved furnished its own transportation. The same social tendencies which have made us more dependent upon one another have made us more dependent upon the law. Imagine a single employer, facing and fully realizing the hardships of the men who work for him, and eager to treat fairly his employees and customers alike. It will be impossible for him to do it and survive, unless he receives some protection from statute and from public feeling. Otherwise competition will undo him. Even a single unscrupulous or selfish employer can sometimes make business impossible on moral standards for a number of his competitors. Take so simple a case as the working hours of barbers. Almost all would be glad to close their shops on Sunday,

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## EMPLOYMENT

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but if a few refuse, in order to make extra money, they can gradually entice customers from the others, and thus possibly ruin their business. A law here is necessary to enable the individual to do right. The same principle can be applied to hours in more complicated industries; to wages; to such matters as the employment of children. The majority of the employers whose spirit has fallen under my observation would welcome the existence, and stern, equal enforcement, of laws which would help toward social right. Many of them go ahead, without the sufficient aid of law, to use their brains toward making justice pay, as brains can often do; sometimes even to put justice into effect, if they can afford it, even where they cannot make it so profitable as heartless exploitation can be made.

Let us now consider a few illustrations of what employers are showing of stupid hostility to obviously right measures, and other illustrations of what they are contributing to progress. When Mr. Page asked me to give this course I told him I lacked sufficient knowledge, whereupon he replied that what he desired was an approach to these questions such as is exhibited in *COLLIER'S WEEKLY*, representing the attentive interest of



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## INDUSTRY AND PROGRESS

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one concerned in controversies of the day. While some of my illustrations, therefore, will be drawn from reading, others will relate to the problems in which a serious journalist, like a serious legislator, is continually involved; for we all—journalists, politicians, lawyers and business men—if we think, are brought to face this set of rapidly changing questions.

In a special message to Congress, dated January 31, 1908, Theodore Roosevelt said:

“Exactly as the working man is entitled to his wages, so he should be entitled to indemnity for the injuries sustained in the natural course of his labor. . . .

“An employer’s liability law does not really mean mulcting employers in damages. It merely throws upon the employer the burden of accident insurance against injuries which are sure to occur. It requires him either to bear or to distribute through insurance the loss which can readily be borne when distributed, but which, if undistributed, bears with frightful hardship upon the unfortunate victim of accident.”

In the year 1908 COLLIER’S WEEKLY took up the case of a man named Merritt, who had been injured in the employ of a vast industrial concern. His fate had elements of impressiveness, not the least of which was that the great corpora-

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## EMPLOYMENT

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tion which employed him was conducted by a family of unusual liberality and honesty, so that the tragedy brought out not the fault of any person, but the inequity of a social system. He was one of 6,000 employees under the command of one branch of this vast company, and of course he was a pawn, with no discretion, obliged to do what was commanded, morally responsible only for sobriety and efficiency. On July 1, 1907, his superintendent ordered this employee, who was an electric repair man, to inspect one of the powerful electric cranes which, suspended above the factory rooms, lift and move the heavy iron. As Merritt, after reaching the top of the room, stepped upon the crane, the operator whose function it was to apply the power to that machine suddenly pulled a lever, the electricity leaped into the crane, Merritt was thrown into the gearing, the cogs tore into his flesh, his right arm was crushed, blood poisoning set in, and his other arm was rendered almost useless.

For ten hours' work Merritt was earning \$2.75, and by working overtime he averaged \$90 a month and lived in modest comfort. Dark indeed was the outlook facing the disabled laborer. While he was lying in the hospital, a visitor was an-

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## INDUSTRY AND PROGRESS

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nounced. It was Mr. Blank, special agent for the company, come to offer Merritt the directors' sympathy and \$50 in ready money. For this present he requested a "receipt." Unlike many workmen, Merritt read the "receipt," and discovered that it contained, hidden in complicated print, an absolute release of all claims against the company. Here is a reproduction of the paper—a document which, being typical and not exceptional, may well have an interest to future generations, wishing to know what ideas of justice prevailed in this community at the beginning of the twentieth century, and were therefore applied even by exceptionally generous employers:

"KNOW ALL MEN BY THESE PRESENTS, That I, Walter Merritt, of the City of Chicago, County of Cook and State of Illinois, for and in consideration of *the sum of fifty dollars* to me in hand paid by The International Harvester Company, a New Jersey Corporation, the receipt whereof is hereby acknowledged, do hereby *release and forever discharge said International Harvester Company from all claims and demands and each, every and all right, cause and causes of action of every name, nature and description whatsoever, which I now have or which has accrued in my favor against it, said International Harvester Company, arising or growing out of or by reason of any matter, cause or thing*

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## EMPLOYMENT

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*whatsoever*, FROM THE BEGINNING OF THE WORLD TO THE DAY OF THE DATE HEREOF.

"AND, I do further hereby declare that said International Harvester Company has not, nor has anyone for it, or in its name, at any time prior to the execution and delivery of this release by me, made me any offer of employment, nor held out to me any inducement of future employment in any capacity whatever, as a part consideration for the execution of this release, and that I thoroughly understand the meaning of this release and know that its execution by me is an absolute waiver and bar of all and every claim and demand I may have against said company of every name and description, and that under no circumstances can I sue or maintain any action, suit or proceeding against said company by reason of any matter or thing whatsoever happening to me, or arising in my favor against said company prior to the execution and delivery hereof; and I further expressly state that no fraud or undue influence on the part of said company, or on the part of anyone representing it, has in any way entered into this release or into any of the steps leading up to it.

"WITNESS my hand and seal this 24th day of July,  
A. D. 1907.

WITNESSES:

(Seal)

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## INDUSTRY AND PROGRESS

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STATE OF ILLINOIS, }  
COUNTY OF COOK. } ss.

I, \_\_\_\_\_, a notary public in and for said county, in the state aforesaid, do hereby certify that Walter Merritt, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act for the uses and purposes therein set forth.

"Given under my hand and notarial seal this 24th day of July, A. D. 1907.

Notary Public."

According to Merritt, whose story is supported at least by the general custom of claim-agents, the lawyer's arguments to him ran like this:

"Now, Walter, you know we don't want any trouble about this. When you get well, I'll see what I can do for you. Don't go to any lawyer, for if you do I may not be able to help you at all, for you know it wasn't our fault that you got hurt, and we could beat you in a lawsuit. *We always win our cases.* I'm telling you this as a friend.

"The International Harvester Company is a New Jersey corporation. If you sue the company for more than \$2,000 it will transfer the case to the Federal court, because it claims to be a citizen of New Jersey and you are a citizen of Illinois. The Federal courts will probably decide that you and the craneman were fellow servants,

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## EMPLOYMENT

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and you would lose your case there. But you might sue in the State courts for \$2,000, and the company could not transfer the case to the Federal court, because that court will not consider any case unless the amount sued for is more than \$2,000. In cases like yours the law of Illinois is much more favorable to the plaintiff than that of the United States courts, and you could probably win in the State courts. The company will appeal if a jury decides in your favor. The calendars of the courts are crowded with thousands of cases like yours against corporations, and it would take at least three years to collect your damages."

Thus helped by the publicity created through a powerful newspaper—an ally not accessible usually to mutilated workingmen—by an intelligent lawyer, and by an acute and sympathetic judge, Walter Merritt won his case. Had it not been for a peculiar collocation of fortunate accidents the struggle would have ended in defeat. Compensation is obtained, I believe, in the absence of liability statutes, in about one case in ten. Heaven knows, even after legal victory, the result is tragedy for Merritt, his wife and two small children. The bright side of this story is that the McCormick Company, frequently ahead of prevailing standards, soon after voluntarily put an employers' liability system into practice.

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## INDUSTRY AND PROGRESS

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At common law the employer was compelled only to show reasonable care in providing a place to work, tools, appliances and rules, and in hiring fellow servants. The employee had no recourse if he had been guilty of contributory negligence in any degree, or if his injury was due to the negligence of a fellow servant. The employee was taken to "assume the risk." Following the lead of Germany, one civilized country after another has recognized the antiquated absurdity of these rules. Compensation should be compulsory and automatic, or the laborer has no chance. What the old law has usually meant is shown clearly in a recent incident in New Jersey. A girl went to her employer and complained that her machine was unsafe. He told her to mind her own business. Soon the defective machine caused her the loss of one arm. The manufacturer resisted damages on the ground that she had assumed the risk, her knowledge being shown by the fact that she had mentioned the defect to him. In Germany he would have been liable in semi-criminal proceedings.

A short time after the Merritt story was in print, the attorney for one of the largest industrial enterprises in the world called to state his

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## EMPLOYMENT

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view of employers' liability, fearing, as he said, that his concern might be next attacked. Members of our staff, in a long and patient conversation, endeavored to explain that COLLIER's desired not to attack anybody, but to make clear, through specific cases, the necessity of protecting the laborer against poverty from causes uncontrollable by him. Our laborious arguments were vain; the attorney, with every appearance of conviction, stated and reiterated the time-honored notions of his tribe:

1. The company was kind to its employees. It provided hospitals for them to use when they were mangled.

2. If there were a compensation act, workmen would lose their limbs on purpose.

3. "Shyster" lawyers were continually urging laborers to bring suit.

4. Juries were unfair to corporations.

5. Employees would drink up the money anyway.

There were other arguments, too irrelevant, too heartless, too shallow to record.

Let us pass to another urgent social need, on which some employers of labor have taken a position as curiously unseeing. Modern science has



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## INDUSTRY AND PROGRESS

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come to understand the importance of fatigue. The old Mephistopheles is dead, but many devils have arisen, competing for his place, and weariness is one. It is the mother of disease. It not only excludes joy, gives birth to languid gloom, shuts the windows of the mind, but constantly it fosters illness in the body. Our tired system is the easy prey of colds, and colds in the weary become pneumonia, and the general deterioration of the body welcomes the great scourge, consumption. Overfatigue is a devil for man, but a hundred times as fierce for woman. Woman is being driven from the home. Once, varying with her station, her work equaled or surpassed man's in variety and interest. She made clothing for the family. There were no dairies, and she it was who extracted butter and cheese from milk. She preserved food for approaching winter. What intellectual and moral bringing up the children had was mostly hers. Now, while the state has been taking over the education, centralized industry has taken over the daily routine. Clothes are no longer made at home, and woman follows to the factory. Dairies furnish us butter, cheese and milk. Great establishments put up soup, pickles and preserves. Not even the washing is alto-

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## EMPLOYMENT

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gether done at home, and here is where my present illustration comes. Let us not forget the long and wearing hours that woman often labored in the dwelling which her husband owned. We are endeavoring, not to show that the world grows worse, which would be untrue, but to live up to the twentieth century's possibilities, and to check evils which the centralization of industry has at last put in our control. Public employment, whatever improvement in the general scale of living it has helped to bring about, has by necessity its attendant harms. Women, working too hard, too long, too near the time when children come, are shattered in body, and the next generation is injured in advance.

As Miss Addams says:

“For a hundred years England has been legislating upon the subject of unsanitary workshops, long and exhausting hours of work, night work for women, occupations in which pregnant women may be employed, and hundreds of other restrictions which we are only beginning to consider objects of legislation here.”

Oregon, which has, thanks largely to the devotion and intelligence of W. S. U'Ren, in social education kept a step ahead of most sister states, passed a law that women should not be forced to

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## INDUSTRY AND PROGRESS

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work more than ten hours a day in public laundries. A moderate estimate, surely, of the required protection. The law was attacked, appealed to the Supreme Court of the United States, and its constitutionality affirmed. Illinois then passed a law limiting the hours of women in factories to ten. The movers for the law wanted eight hours, but thought it best to try for ten. The Illinois Manufacturers' Association made a furious endeavor to induce the Supreme Court of that state not to follow the United States Supreme Court's decision in the Oregon case. The brief in support of this contention is a curiosity. Here are a number of its points:

1. It violates the constitution of Illinois, because it deprives citizens of liberty and property without due process of law.
2. It takes away the constitutional right of the individual to contract.
3. It is class legislation.
4. It is a purely arbitrary restriction upon the rights of Illinois citizens to control their time and faculties.
5. It substitutes the judgment of the legislature for the judgment of the employer and employee in a matter about which they are competent to agree.
6. It is contrary to the police power of the State.
7. It is void for ambiguity, as the term "mechanical

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## EMPLOYMENT

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establishment" is ambiguous and of merely comparative significance.

8. It is unequal in its operation, for it imposes upon the employer a penalty for violation of the statute and imposes none upon the employee.

9. "It is unequal, discriminatory, and unjust, because it restricts an employee from working more than ten hours a day, no matter if she be employed in more than one establishment."

10. "It is void because beyond the power of the legislature to enact."

Mr. Louis D. Brandeis, who, as the victor before the United States Supreme Court in the Oregon case, was called into the Illinois case, almost ignored legal precedents; he ignored these childish and antique objections; he presented the court with ample evidence that more than ten hours' labor by women in laundries was injurious to their health and morals, and to the health and morals of the community, and he won.

The employment of mothers shortly before and after childbirth is prohibited in a number of European countries. A much-cited case is that of M. Dollfus, a large employer of women in Alsace, who required mothers to remain absent for six weeks after childbirth, during which time he paid them full wages. The decrease in infant mor-

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## INDUSTRY AND PROGRESS

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tality in the first year was from 40 to less than 18 per cent. A convention of wage-earning women in America has put forward a program, which in its main outlines must have the support of all employers who realize what the health and morality of women in this generation mean to the efficiency, character and happiness of the next :

An eight-hour workday.

Elimination of night work for women.

Protected machinery.

Sanitary workshops.

Separate toilet-rooms for women.

Seats for women, with permission to use them when the nature of the work permits.

Prohibition of employment of women two months before and two months after confinement.

Pensions for mothers during lying-in periods.

An increase in the number of women factory inspectors, based on the number of women workers employed in the state.

Women physicians as health inspectors to visit all shops and factories where women are employed.

A minimum wage for women in sweated industries.

In regard to the employment of children, although an unfortunate number of unfair allegations have been made, it cannot be denied that great injury is being done, or that in employers

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## EMPLOYMENT

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often humanity yields to greed. We need not discuss, in a course of this kind, the hours of children on the farm, the responsibility of parents, or the relative healthfulness of good factories and bad tenements. We are on safe ground when we fight bad tenements, absence of schooling and destructive factory labor, all and single, and condemn those employers who have been found blind enough to oppose the passage of protective legislation, to evade it when passed, and to endeavor to play upon the fears of the voters and the legislatures by threatening, in case the privilege of using children was taken away from them, to remove their factories to more lenient states. As an offset to such acts, we recall that Sir Robert Peel, the father of the statesman, with no public agitation to spur him on, introduced the first great measure in protection of factory children, because, himself a mill owner, he was shocked by the wrongs which passed before his eyes. This was in 1902, and many an obscure Peel may be found among the high-minded business men of the United States in 1910.

Robert Owen, whose influence on philanthropy and social thought has been so lasting, was the manager of a cotton mill at nineteen. More than

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## INDUSTRY AND PROGRESS

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a hundred years ago he successfully introduced standards of conduct to which the world has not yet advanced. He improved housing, furnished supplies at the lowest possible price, stimulated education and thrift, and yet made money. His partners were ordinary men, however, and they conceived that more money could be made if such expensive luxuries as the golden rule were laid aside. Owen therefore founded a new company, with the fundamental agreement that five per cent. return on capital was sufficient, the rest of the earnings to be free for use in behalf of others. Among the members of this firm was Jeremy Bentham. About 100 years have passed since that company was started, but in this year of grace we may say with confidence that this willingness of capital itself to deal fairly with employees and with the public was an example fertile in moral progress that will never be equaled by libraries, colleges or medical institutions paid for out of the proceeds of cruelty and fraud. The race of Robert Owen is not extinct. Thousands of business men in America today are moved by similar ideals, though perhaps lacking the brains to put them successfully into practice. There died a few months ago a man whose life moved on a

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## EMPLOYMENT

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plane as high as Owen's. William H. Baldwin, Jr., was a gifted practical railroad man. He knew how to make money, but relentlessly, despite much blindness in his competitors, he refused to make it at the price of cheating the public or abusing his subordinates. He held ably one position after another in the railroad world, without letting go any of his convictions or descending to sophistries with which many of his associates and rivals defended what he knew was wrong. His object was not to weaken unions, but to strengthen them; not to outdo them, but to help them; not to yield only what was forced out of him, but to be ever thinking what more he could do to justify the power he held.

When an employer has learned the great central truth that in fighting unionism he is fighting progress, he will be in a fair way to meet his obligations fairly. Here again we must not lose historical perspective. A century ago law, as well as public sentiment among the property-owning classes, was so unfavorable to organized labor that in England the slightest attempt at concerted action to increase the price of services was visited with severest penalties. As late as 1834, six Dorchester laborers were sent as convicts to



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## INDUSTRY AND PROGRESS

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Botany Bay, for the mere act of forming a labor union which had not even asked for an advance of wages; and the Statute of Laborers forbade a laborer to seek work beyond the parish in which he was born. Ancient guilds of artisans were sometimes destroyed, and if workingmen merely combined, the penalty was indictment for conspiracy. It is only recently that any law affected combinations of employers, for until recently the employing class has had its way entirely. Adam Smith more than 100 years ago spoke of the tacit but unswerving social understanding among employers to keep wages down. This silent class conspiracy is enfeebled, but not dead. A friend of mine, one of the most intelligent publishers alive, desired to make an offer to a certain writer, but was afraid it would not be proper "to buy him away" from his employer, and many a housewife feels the same obligation not to raise wages for domestic service, or inconvenience her friends by paying more than her neighbors pay.

I do not pretend that this question is easy in all its manifestations, but there are plenty of cases of class conspiracy so flagrant as to allow no doubts. The Manufacturers' Association of America and the Allied Citizens' Industrial Al-

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## EMPLOYMENT

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liance form a notable example. A number of such organizations are constantly engaged in the stupidest warfare against unionism, and the spirit in which they work came under my personal observation when the trustees of the Lincoln Farm Association, which was founded to preserve to the nation the scene of much of Lincoln's childhood, learned of the fight being made against it by such an organization because we carried on our work in friendly coöperation with the labor unions. The following quotations from published interviews coincide with the whole history of such backward organizations.

By the president of the National Association of Manufacturers and of the Citizens' Industrial Alliance of America :

"This is not the proper time to talk conciliation. . . . Since the principles and demands of organized labor are absolutely untenable to those believing in the individualistic social order, an attitude of conciliation would mean an attitude of compromise with regard to fundamental convictions. . . . Neither is it the time to talk arbitration or joint agreement. To arbitrate questions of wages and hours is to introduce artificial methods of determining what they shall be and an equitable arrangement as to either cannot be effected artificially. . . . Arbitration is only putting off the day of reckoning."

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## INDUSTRY AND PROGRESS

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By the chairman of the Executive Committee of the Citizens' Industrial Alliance :

"No organization of men, not excepting the Ku Klux Klan, the Mafia or the Black Hand Society, has ever produced such a record of barbarism as has this so-called organized labor society which, through misdirected sympathy, apathy and indifference, has been permitted to grow up to cripple our industries, and to trample in the dust the natural and constitutional rights of our citizens."

By the same officer :

"The only way to settle a controversy with organized labor is to have absolutely no dealings with it."

A similar spirit, from these same men, is shown in a call for their latest annual convention, in which they say :

"Insidious and socialistic doctrines as preached, published and practiced by so-called labor leaders have of late so dominated labor unions as to preclude the exercise of free and independent thought on the part of intelligent members of labor unions, and have become a hindrance to business and a menace to society."

Again :

"Whereas, organized labor throughout the country seeks to discourage and practically prohibits membership in the militia."

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## EMPLOYMENT

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A typically violent example of the old anti-union species may be seen also in Mr. Post, of Grapenuts and Postum fame, who fills newspapers' advertising columns with rhetorical abuse of everything the unions do. In all our industrial troubles nobody does more harm than stupid hotheads such as these.

One need not go further back than the Pittsburg Survey, the Hocking Valley troubles in Illinois, and the mining troubles in Pennsylvania, to find dramatic instances of this spirit in action—of the tyranny with which great business magnates sometimes use their power. In the Pittsburg troubles the paper with which I am associated happened to be directly concerned. We made charges about housing conditions, and responsible executives of a great concern, in order to meet these charges, sent us solemn figures which turned out to be ruthless lies. The survey made a deep impression on the country. It showed men compelled to work at blast furnaces seven days a week, and brought us nearer to the intelligent legislation which in France, Italy and Canada has forbidden the seven-day week. Imagine working violently twelve hours a day, seven days in the week, and hoping to find any higher value in this life. The wages

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## INDUSTRY AND PROGRESS

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were found to be so low also that a normal American standard of living was impossible, but a little while later the Steel Trust was taking part in constructing a tariff to protect its infant industry, a tariff under the shelter of which had been reared the mightiest fortunes in history. The companies in the steel district are also continually busy in stimulating immigration, as a weapon to beat down wages and the scale of living. Mr. Edward T. Devine, speaking before the American Sociological Society and the American Economic Association, was not too severe when he said:

"The contrast—which does not become blurred by familiarity with detail, but on the contrary becomes more vivid as the outlines are filled in—the contrast between the prosperity on the one hand of the most prosperous of all the communities of our western civilization, with its vast natural resources, the generous fostering of government, the human energy, the technical development, the gigantic tonnage of the mines and mills, the enormous capital of which the bank balances afford an indication; and, on the other hand, the neglect of life, of health, of physical vigor, even of the industrial efficiency of the individual. *Certainly no community before in America or Europe has ever had such a surplus, and never before has a great community applied what it had so meagerly to the rational purposes of human life.* Not by gifts of libraries, galleries, technical schools and parks, but by the cessa-

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## EMPLOYMENT

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tion of toil one day in seven and sixteen hours in the twenty-four, by the increase of wages, by the sparing of lives, by the prevention of accidents, and by raising the standards of domestic life, should the surplus come back to the people of the community in which it is created."

The report of the Bureau of Labor upon conditions at the Bethlehem Steel Works showed similar oppression. There we beheld even a thirteen-hour day. A large percentage of the laborers earned but twelve and one half cents per hour, and some only twelve cents. For some of the seven-day men Sunday was not considered overtime. Figures like this, however horrible, are needed to keep the conscience of the people alive and their minds fixed upon the rights of the over-ridden many. The following graphic picture is given by Holyoake in "The Coöperative Movement Today":

"When in America I passed by a melancholy mountain known as 'Starvation Point,' up which the Iroquois Indians drove their Illinois rivals and surrounded the base, while the Illinois tribe above were all starved to death. In Spring Valley, near this spot, capitalists recently opened mines and invited settlers by offers of good wages. Miners flocked there, bought lots of the company, and built houses. A township of some thousands arose. For a workman to leave meant the loss of his home, which

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## INDUSTRY AND PROGRESS

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he could neither let nor sell. If the men struck, their employers could confiscate their dwellings. Then their wages were suddenly reduced. The men did strike. They tried to get employment at the nearest mines. All the owners were in the capitalist ring, and no work could be had. The whole town was starved into submission, as completely and pitilessly as the Indians on the mountain. The miners had been lured into a trap. Law gave the capitalist this power—there was no law to deliver the workers. Those who said this was infamous were accused by the capitalists of setting class against class."

As Professor Giddings puts it, an employer may say, "I will buy labor at the lowest prices at which men who are nearest starvation will consent to work," or he may say, "I will pay my help the highest wages that I can afford." Similarly he may say, "I will force upon them the longest hours," or "I will make hours as favorable to them as I can afford." The first spirit means progressive degradation of labor and, in the view of many observers, ultimate destruction of the employer's profits; although I personally feel safer in relying upon the human and moral appeal than upon the argument that virtue will finally be repaid in dollars to the employer. Professor Giddings points out that there was a steady discouragement of labor and impairment of efficiency in

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## EMPLOYMENT

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England during the first half of the nineteenth century, under the teaching that unmitigated selfishness was economically desirable, and that under the opposite rule the laborer is encouraged and stimulated, his standard of living is raised, he creates more wealth for conversion into capital, and this accumulated capital, by increasing the demand for labor, tends further to raise wages. A recent report on national vitality by the Committee of One Hundred on National Health, declares that the present working day, from a physiological standpoint, is too long, and keeps the majority of men and women in a continual state of overfatigue. It starts a vicious circle, leading to the craving for means of deadening fatigue, thus inducing drunkenness and other excesses. "Experiments in reducing the working day show a great improvement in the physical efficiency of laborers, and in many cases result in even increasing their output sufficiently to compensate the employer for the shorter day." That shorter hours pay directly in actually increased efficiency, is, undoubtedly, true in many cases. One hundred years ago fourteen and fifteen hours were not uncommon. The first legal limitation was under President Van Buren, in 1840, to ten



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## INDUSTRY AND PROGRESS

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hours. About thirty years ago it was lowered by Congress to eight hours. Meantime, the productiveness of labor has steadily increased, but how much of the increase is due to shorter hours and how much in spite of it, is the subject of debate. At Liege it was decided that shortening the day gradually from eleven hours to seven and a half resulted in every case in an increase of output. The Solvay Process Company of Syracuse in 1892 introduced three eight-hour shifts in place of the two previous shifts of thirteen hours, and found that this change was actually profitable. Many similar cases might be cited, but it seems to me unsafe to look at the question entirely as selfish. Sometimes it will work out right from the mercenary point of view, and sometimes not; certainly it is right from the social standpoint. The step ahead may or may not be profitable for the individual employer, but it is obviously of the greatest advantage to the community.

Often the employer has carried selfishness to the point where it was obviously unprofitable, as in the case, about twenty years ago, cited by Holyoake:

“To force upon railway workmen long hours of labor, detrimental to their health and to the public safety, Scot-

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## EMPLOYMENT

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tish railway directors wasted last year more money than would have endowed all the men with moderate annuities."

Such cases grow rarer, however, and more truth inheres every year in the remark of a recent observer that the business world in general resembles not piracy so much as traffic on the high seas, where there are many perils of storm and collision, and many disasters wrought by treachery and rashness, but where, on the whole, strong men are trained, and the work of the world is bravely done. "Nothing," to be sure, "is more timorous than a million dollars, except two million dollars," but this conservatism of capital is not all evil, and if it is infused with sufficient sincerity and human sympathy it is strength. Edward A. Filene of Boston, who in his own large establishment has put many advanced ideas into operation, observes that "ideas go to the scrap heap about as often as machines," and it is a mark of health in the present age that it shows unusual willingness to change both.

Sometimes one man can do much. Let me cite as an illustration the busy lawyer who won the Oregon and Illinois cases for shorter hours, who as these lectures are written out has induced gar-

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## INDUSTRY AND PROGRESS

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ment workers and their employers to a new modification of the open shop idea, and who put forth the first American plea for savings bank insurance, with a convincing explanation of the benefits that the laboring classes would derive. Taken up first by ex-Governor Douglas and a few other large employers, this plan, now in operation but a short time, has already shown what a genuinely valuable contribution it is toward the solution of the lowering problem of the workingman's old age. For the man who labors with his hands age comes early and bears many threats. At forty, when the professional man has just mastered his resources, the laborer is frequently of so much diminished value that he is in danger of being thrown aside. The lawyer, the clergyman, the politician, the journalist, may be as useful at sixty as at thirty.

A condition of industry in which a man ceases to be useful comparatively early obviously offers bitter old-age problems to the majority. England has recently seen herself compelled to introduce a system of old-age pensions, of doubtful bearing on the fibre and prosperity of her people. The contributory system of pensioning, by compulsory saving, which works so well in Germany, would

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## EMPLOYMENT

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be impossible with our political ideas and institutions, and the plan put into force in Massachusetts rests on the substitution of education and persuasion for the German force. It requires the cooperation of savings banks and employers. The banks offer old-age insurance at cost, and the employers constantly and in many ways remind their employees of the advantages of taking out such insurance. The result, after less than two years of trial, is a great saving to the workingmen, not only of Massachusetts, but all over the country, as the installment insurance companies, like the Prudential, have been compelled to lower their rates to meet the savings bank competition. So great a victory, over so appalling a fact, won with such simplicity, helps us to believe that much social progress may be gained without fundamental changes in the structure of society. As a committee of the Boston Chamber of Commerce has just said:

“What is needed is the establishment of agencies with employers, and where sufficient interest and business possibilities exist, the opening of an insurance department by the local savings banks. Not less important is the prosecution of a campaign of education that will convince the working people of the desirability, cheapness and safety of

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## INDUSTRY AND PROGRESS

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savings banks insurance. Such education will encourage thrift, and counteract the unfortunate drift toward non-contributory old-age insurance, which has been adopted in England under peculiar economic and political conditions, which do not exist in this country."

The enlightenment which Massachusetts has shown, toward both political and economic problems, is a safer example for Americans to emulate than are ideas imported whole from foreign lands. At the very last session of the legislature Massachusetts passed an act compelling employers, when advertising for help in times of labor troubles, to mention any strike or lockout in progress in their shops or factories, and thus refrain from luring workmen from distant homes in ignorance of what they have to face. The more such definite kinds of injustice, big or little, are made impossible, the safer we shall be from convulsions based upon despair. A realization of such truths is growing rapidly. Large employers are coming rapidly to accept some form not only of accident insurance, but also of old-age pensions, often without contributions from the employees. The "pluck me" store, in which the employee was compelled to buy at ruinous cost the necessities of life from his employer, is seen as a crime. "Welfare work,"

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## EMPLOYMENT

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a term covering the general comfort, health and enjoyment of employees, is making rapid progress. Could the following paragraph, ten years ago, have emerged from a body like that which actually has recently drawn it up—a committee of which the president of a railway was one of the two members?

“It cannot be denied that in recent years, notwithstanding the vast accumulation of wealth in the hands of a privileged few, there has been no corresponding gain to labor; that our modern competitive industrial system results in conditions which are essentially un-Christian, and unjust to the men who produce the wealth in which they so unequally share; that in every industrial community, poverty due to insufficient wages and uncertainty of employment is to a large extent responsible for the existing discontent, crime, immorality and alienation from religion, and that the Church is to a large degree identified with the capitalistic class and that its influence is used to uphold the existing economic system.”

“Welfare work” includes so much detail that an outline of it might well fill a volume. Each establishment presents a separate problem. Such study is required that there is a growing belief that the “welfare manager” is a necessity—one man, that is, who is not responsible for the money-making side of the business, and whose duty it is

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## INDUSTRY AND PROGRESS

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to study the needs and wishes of the employees. From bathing facilities and fresh air to libraries, music and courses of instruction, it is his business to make the working day itself a little better worth the living. Shading into this field are all things which tend toward education, equipment, stimulation of ambition and the power of rising—as, for example, the “Top-Notch” system, or special opportunities for advancement given to those who do best in their particular divisions. Morality also is included—as where, in some establishments, the girls leave half an hour earlier than the men. A free physician is becoming more and more usual. Opportunities for diversion, whether in intellectual directions or in such amusements as dancing and games, are being widely introduced. In some cases where the workmen are brought to a town merely by the needs of some special business, prizes are offered by the conductors of that business for the most attractive homes. A few factories (where the nature of the work permits it) employ men or women to read aloud during working hours; others have pianos. In certain employments, such as railway engineering, rest-rooms are of the first importance, especially because an attractive place where a man can read,

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## EMPLOYMENT

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play games or sleep, will prove to be the greatest rival of the saloon. Lunch hours are becoming longer; ventilation is becoming better, and the result is so marked that in one telephone company, for instance, after a new ventilating system was put in, the number of days of work lost by its sixty women employees was cut in half. The relation of fatigue to illness comes within the welfare field, and while with regard to fatigue the length of hours is the most important consideration, all steps which make work more interesting make it physically easier to endure.

Welfare work can hardly be successful unless it is democratic. Progress in comfort is looked upon by employees as mere bribery if it is used as an excuse for long hours, unsteady employment, low wages or weak unions. Some of the employers who have shown the greatest intelligence in relief and welfare work have been persistent enemies of the union, and no employer who looks upon unionism as an evil, or upon a weak union as more desirable than a strong one, is capable of taking a place in the economic progress of our day. The time for bribery has gone. The time for justice has arrived. The spirit of democracy is passing into industry. The principles of the



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## INDUSTRY AND PROGRESS

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Christian religion, on their most fertile side, are being translated from far-away abstractions into commanding daily guides; and best among them is the Golden Rule.

## CHAPTER II.

### LABOR.

Mr. James Bryce, in a speech recently, said that the greatest unsolved problem in the world is to find a satisfactory relation between labor and capital. New aspects of this complicated problem arise with every development in our ethical ideas. Once the duties of labor were regarded by the educated as exclusively toward the employer. An illuminating fact of recent history is the awakening of the laborer to his duties toward his class. Even the isolated rich are coming to understand that things are good which help the laborer to greater value in his life. Charles William Eliot, in his much-discussed lecture on the religion of the future, shows the belief that one of the leading obligations will be so to act that the world's work may be made less dismal. Once in the face of extensive evil we talked about the will of providence. Now we mitigate the evil.

No single force has done more to educate us, poor and rich, than unions. "Association," said the Bishop of Durham, "for good or evil is the characteristic of our age." In labor, association

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## INDUSTRY AND PROGRESS

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has done so much good that the incidental evil is comparatively small. The union has been called the worker's public school. It is more. It is the first device in the world by which has been introduced a fair dispute between poor and rich. Practically it is new, although in other forms it has existed. Some of Cicero's most violent diatribes are against the trades unions of his time. Strikes, which have been the militant expressions of the desires of labor, are old in history. When the Children of Israel were instructed by Pharaoh to make bricks without straw, and to labor without rest, they went on the first general strike. The slave insurrections, about which we read, but which are more numerous than would be indicated by ordinary history, were the rebellion of the laborers against conditions. The laborer has always been at a disadvantage in these contests with his employer, often he has been desperate, and until recently he has felt that any arrangement which he could come to was likely to result in his harm, partly on account of his inferiority in education and experience; partly on account of his lack of that formal or informal organization which binds business men together; and partly because, lacking capital on which to live during the contest,

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## LABOR

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he was not able to hold out for terms as long as the employer. There is a certain poem by Lear:

“There was a young woman in Niger,  
Went a-ride on the back of a tiger,  
They returned from their ride,  
With the lady inside,  
And a smile on the face of the tiger.”

Holyoake tells us that the sweated workmen of East London say:

“There was a workman of Whitechapelst,  
Went out on the back of a capitalist;  
They returned from their ride  
With the workman inside,  
And content in the face of the capitalist.”

The stronger the union, the greater will be the possibility of removing inequality and distrust, the fairer the terms, and the more stable the understandings. Without unions, labor can do nothing; with weak unions it can do little.

In a general discussion of the duties of labor, the questions which would have been among the most prominent a quarter of a century ago, sink now into the background. The size of the drink bill is one of the greatest burdens in most civilized countries, perhaps most of all in Great Britain.

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## INDUSTRY AND PROGRESS

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It is a burden even with us, and it falls most heavily on the laboring class. The poor have their forms of the evil of luxury, and drink with them stands first. What is wasted by this vice alone would be enough, used aright, to bring comfort, education, industrial freedom to all mankind. The most direct expense may be in the enormous percentage of the productive power of the country that is wasted, but a still heavier loss lies in decreased efficiency. If the duty of laborers and labor unions to agitate for temperance is not here brought forward, it is not because it is not one of the most important tasks ever imposed upon the world or any class, but merely because labor unions so thoroughly understand and are working so persistently. In most unions intemperance is now regarded as one of the cardinal sins, and the attitude of the unions, combined with the demands of the public and of employers, is resulting in real progress toward temperance.

Another question, which is among the most serious, fails to require argument from the labor point of view because the unions have been so steadily on the right side. To nobody, of course, does the laborer owe more than to his child, but he knows this as well as we can tell him. Protec-

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## LABOR

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tion of the young from work which stunts their growth and limits their later power may need to be argued to the employer, but the elimination of child labor is a step for which the unions have consistently stood, as they have also consistently stood for the co-relative duty of providing education and care for children over a sufficient number of years.

Another step, almost won, is in the point of view of labor unions, and especially labor leaders, toward violence. It cannot with truth be said that the actual belief of the majority of laboring men corresponds with the statements put forward for publication, but it approaches nearer to them with each instructive year. It is no doubt easier to unionize those occupations, like the building trades, in which violence is easy to commit. The part that violence has played in the progress of the race is a matter about which it is difficult to be safely dogmatic. Frequently it is stated, as it was, I remember, by Mr. John Hay, that "assassination never changed the face of history." In reality, no historian has the power to say to what extent the progress of humanity was affected by violence in the French Revolution, favorably and for loss. In the female suffrage debate which

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## INDUSTRY AND PROGRESS

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Great Britain is undergoing, the advocates of militant tactics have no difficulty in showing that roughness has accompanied most extensions of male suffrage. Although this philosophic doubt is admitted, there is a constant effort toward peaceful methods and a constant diminution of violence, since nearly everybody realizes that our permanent industrial victories are to be won by reason, study, spiritual inspiration.

We need not linger over a point so obvious, although so recent, as recognition of the union. Employers who fight it still are behind their day. As a member of Parliament, who is himself an employer, said:

“Without unions there was a spasmodic demand for labor at any price, and a sudden fall to the lowest of wages men can take. Industry was demoralized, and there was no healthy competition among employers, making it difficult for even a just and generous employer to do right—a situation which has been done away with by the progress of the unions.”

Between the contestants stands the consumer, and his rights become clearer. Canada is ahead of the United States in that, without arbitrary settlement, she has conserved the right of the public without hardship to either disputant. It was

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## LABOR

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perhaps necessary that the two great industrial forces should be allowed to fight out their differences before the time could arrive to intervene with public rights; as in the war between Japan and Russia intervention seemed impracticable at first. No country has yet gone so far as to prevent strikes. Compulsory arbitration, where it has been tried, has not succeeded. The Canadian principle is to force the conflicting parties to submit differences to a board, not of arbitration, but of investigation. It looks fully into the facts and merely makes recommendations, and no strike is permitted until the results of this investigation have been put before the public. The consequence is that if either employer or employees refuse to abide by the decision, the party refusing accepts public disapproval.

With regard to the rights of labor in enforcing its demands, legal standards are changing rapidly. Up to the early part of the nineteenth century a strike was considered a conspiracy, a view derived from the English common law, now in England changed by statute. On the other hand, while the English law is becoming more favorable toward the liberty of labor to fight for its rights, it is also putting certain obligations on



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## INDUSTRY AND PROGRESS

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it. England now, under the Taff-Vale case, forces unions to be responsible for some of the violence committed by members, but this question cannot be looked upon as closed.

Apart from the way it is carried on, the tendency is toward the belief expressed by John Stuart Mill, that "the strike is wrong whenever it is foolish." It is both wrong and foolish whenever the questions at issue are of a kind on which reasonable men ought to be able to agree, especially when the situation created is one which imposes hardships upon the public.

Along with the general sympathy for the trades unions and the objects which they have been seeking, there has increased also a clearness about the ultimate ethical standards to which they should be encouraged. As Holyoake puts it:

"Trades unionists strike against bad manufactures—they have never yet struck against doing bad work and making up bad materials."

This language may not be entirely fair, and it is only partly consistent with President Hadley's statement:

"While they honestly attempt to promote good work, they are yet more occupied with promoting slow work."

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## LABOR

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We, the public, watching the contest between these forces, have decided that in the end there must be consummated, not only an arrangement which shall prevent interruption to production, and therefore penalizing the world, but a return to what workmanship has lost in solidity and honesty. Production on a large scale probably means that we shall never get back to the exquisite workmanship of the past, for the price of labor cannot again be lowered, and there is no indication that an average citizen will be willing to pay several times as much for a chair beautifully modeled by hand as for one almost like it turned out at Grand Rapids. It may be doubted whether the unions have, or can have, much to do with this question, which must in the end be settled by public demand. In one respect, however, the unions are open to criticism on this ground of lowering quality, and that is in their effort to limit apprentices. The world needs a revival of the apprentice system, modified to our day. The laborers have taken a position toward apprentices which is as faulty as that of the manufacturers. Where the manufacturer has wished to use so-called apprentices as a cloak for cheap labor, to drive out higher forms of skill and re-

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## INDUSTRY AND PROGRESS

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duce wages, the laborer, seeking the power of monopoly, has been unwilling to have sufficient well-trained apprentices to meet the public need. Few problems in industry today are more difficult than the question of how to have a sufficient supply of skilled labor without forcing down the wage standard. Some of our best thinkers, like President Eliot, incline toward the view that it is an outrage to limit in any way the number of skilled workmen, and this, as an ultimate ideal, is unanswerable. There ought to be free trade schools and free apprentice systems enough to furnish skill for everybody; but as an immediate question it cannot be so easily solved, nor can it be solved at all without conscientious refusal on the part of employers to betray the apprentice or trade-school system. The leading economist of England is of the opinion that the apprentice question can never be solved, either by the laborers or by their employers, but that the public will have to step in and fix the terms. If all employers are to continue as unfair as some have proved themselves toward the Milwaukee trade school, for example, Marshall's view may be justified; but the world is learning.

One of the sharpest criticisms left against or-

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## LABOR

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ganized labor today deals with the boycott. Not long ago the newspapers reported that the labor unions of St. Louis objected bitterly to Mr. Taft's attending a ball game, and the ground on which this cordial lack of welcome was manifested was that the ball grounds had not been built by union labor. Mr. Taft's labor record in detail I shall not discuss, but his unpopularity with unions brings out some salient unsettled questions. The President not long ago, in connection with the Bethlehem works and their contracts with the government, took the position that all the United States government, in regard to its own purchases, should ask was, whether it was getting from the company a satisfactory product; it could not wisely ask whether that product was turned out without wrongs to the men. As public thought exists at the present moment, the President is right. The executive cannot use his purchasing power to settle industrial questions not before him. Sentences spoken by the President in this connection put one side of the controversy clearly:

“ . . . I am utterly opposed to the principle of a boycott. Every issue ought to be settled on its own merits. If the Bethlehem work isn't up to contract, then the government ought not to give the contracts to the

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## INDUSTRY AND PROGRESS

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companies. If it is, then the contracts ought to go to them without regard to controversies that Bethlehem may have with third persons, whether the third persons be customers or employees. . . . There is no relation between the one controversy and the other, because—I say that with emphasis—because to hold otherwise is to introduce into government methods the system upon which boycott rests, to wit, that third persons are to be involved against their will in a controversy with respect to which they have no natural relation.”

The comment of Mr. Gompers on this position gives the labor union view:

“According to the President’s position it is not the government’s concern how brutally and inhumanly the workers of a concern are treated; it matters not whether American workers are displaced by the worst element of foreign labor, coolie, Jap, or Slav, whether Americanism may be possible of development among a company’s employees; it is simply a question of product. So long as the product is acceptable the producers may be damned for all time in the production.”

A committee of the House of Representatives, which investigated the Homestead strike, said in its report:

“If the washerwoman of Burgess McLuckey or Hugh McDonnell refuses to wash for what he is willing to pay, that is her right, but she has no right to stand in

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## LABOR

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front of his door and fling stones at another woman who comes to take her place and do the work under the new scale of wages which he is willing to pay."

It is a question closely connected with this simple proposition about the washerwoman, whether men, women and children, working for "A" and well treated by him, should be forced out of work, and "A" incidentally ruined, because "B," who buys goods from "A," is unsatisfactory to "B's" own employees. The general labor organizations take the position that they may justly inflict any amount of suffering on innocent employers and innocent employees in order to win a contest in a separate establishment. If "B" is unsatisfactory the association says to "A," "Neither buy from 'B' nor sell to him, or we will stop your business." The principle of the sympathetic strike, once admitted, is easily carried on, in the minds of many laborers, to the general and even to the universal strike. Where the line shall be drawn will ultimately be determined partly by the general public's convenience, but still more by its sense of justice. Two great ethical principles undoubtedly conflict and cannot be wholly reconciled. Labor must organize in order to win, and it must use weapons. The non-union laborer, on the

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## INDUSTRY AND PROGRESS

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other hand, is often the victim of gross oppression,\* and one union is frequently forced into idleness against its wishes in another's quarrel. A tragic conflict of truths lies here, and similar conflicts of opposing truths are seen in the union label, a device which may be seen as mere information to the public, or as an oppressive aspect of the boycott principle. It need hardly be added that all these questions must be settled ultimately in the light of general principles, whatever the world may decide those principles to be. The blacklist and lockout by the employer; the unfair list, union label and various kinds of strikes of the employees; the closed shop; all must ultimately be judged and regulated on simple rules on which the world has not yet agreed. In the ultimate settlement public opinion will express itself through courts and legislatures, but more through changes in employers and laborers.

On the courts has fallen criticism, just and unjust. It is unfortunate that the injunction has been used so much more freely to interfere with

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\* "In the coal strike, an innocent and competent teacher, who happened to be the daughter of a non-union miner, was dismissed by the school board on the threats of the union, and a boy working in a drug store was dismissed because his father returned to work before the strike was declared off" Wright, "Battles of Labor."

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## LABOR

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labor than with capital—largely because the application of our old ideas of conspiracy to capital is newer. The public feels that although the blacklist, for instance, not only corresponds to the unfair list of the labor unions, but can be used with more absoluteness and cruel power, it has not much concerned the courts. How far the courts ought to police the community is an open question, but at least the public will never be satisfied to have them police the unions unless with equal zealotry they police the capitalists. Acts for which our courts are still enjoining unions are legalized by statute in Great Britain; and moreover there is seizure by American courts of power never granted to them. When it is argued that injunctions are necessary in labor cases because juries will not convict, the foundation of democratic government is attacked and its greatest merit killed. Democratic government means government of the people by themselves, according to their ideas, as opposed to government and ideas imposed upon them. When juries will not convict, therefore, there ought to be no punishment. Certainly when the courts carry their seizure of power so far as to allow a judge not only to grant an injunction against a strike, but then be



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## INDUSTRY AND PROGRESS

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the one before whom his own injunction is tried, they are inviting lawlessness and disaster.

Laws and courts amount to nothing except as representing opinion. The most real progress will come from increasing reasonableness in both unions and employers, and from constantly better-informed and broader consideration given to the subject by disinterested outsiders. Warren S. Stone, secretary of the American Brotherhood of Locomotive Engineers, was recently quoted thus :

"I do not believe in forcing a man to join a union. If he wants to join, all right, but it is contrary to the principles of free government and the Constitution of the United States to try to make him join. We of the engineers work willingly side by side with other engineers every day who do not belong to our union, though they enjoy without any objection on our part the advantages which we have obtained. Some of them we would not have in the union ; others we cannot get.

"What I say is, make the union so good that they will want to join."

In that last sentence lies philosophy. The union man naturally tends toward compulsion when he sees others working by his side, avoiding dues and cost of strikes, and yet enjoying advantages for which he and his family have made sacrifices

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## LABOR

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that sometimes break the heart. If by its pleasantness, its social, economic and educational advantages, as well as by its power, the union can draw enough men voluntarily to its membership, a long step will be taken. A union ought to be the best of meeting grounds. Its rooms should offer the advantages of a club, a library, a school; membership in it should be an easy step toward insurance for sickness, old age and death. Here is a quotation from a recent interview with a laboring man, Robert Wuerst, commissioner of the National Metal Trades Association. He said he had fought 368 strikes and won 366, but:

"I'm not proud of that record; I like to hear people tell me I've prevented more strikes than I have fought.

"What we're mostly proud of is our cooperative engineering course, which builds the apprentice boy into a competent engineer."

The scheme to which Commissioner Wuerst referred was carried out as part of the plan of Professor Schneider, in his coöperative school operated in connection with the University of Cincinnati. Professor Schneider's idea was founded on the need of technical training, one of the great basic facts of present-day life. He saw that the public schools, whatever manual work they undertake,

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## INDUSTRY AND PROGRESS

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can never have courses corresponding to the hundreds of different trades, and therefore he thought, as we cannot adequately put the shops into the school system, we must bring the school into the factory, educating the youth at the same time of his life in both school and factory. The details of this plan are beyond the scope of this book, but a suggestion of the principles on which it is founded, and of the degree to which it is successful, may be found in a reply from Professor Schneider, written in April, 1910, to an inquiry from me:

“ . . . . You will understand that the cooperative scheme does not necessarily mean alternate weeks in the school and the shop. The particular scheme to take the school to the boy on the job is merely a detail which must fit local conditions. For instance, for the education of machinist apprentices in Cincinnati, there is a school in the public school system to which machinist apprentices go one half day per week. Manufacturers pay the apprentices for the time they spend in school. Again in the scheme outlined for the department store, you will note that the clerks attend alternate weeks from eight o'clock to ten o'clock in the morning. In other words, the details of how and when the school shall be taken to the boy or girl on the job, must depend on local conditions entirely. The fundamental principle is to take the school to the boy and

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## LABOR

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girl, and to have a definite coopération and coördination between the school and the shop. . . .

"In the trade work, we have simply taken the old-fashioned apprenticeship work and added something to it, namely, instruction leading to higher efficiency and better citizenship."

Another principle may advantageously be put in the form of a quotation from Mr. Wuerst, as when labor organization accepts a correct principle much is gained, even as when a large employer yields a point theretofore combatted:

" . . . One notable advance of the past few years has been the premium system. By its operation a time limit is placed upon a certain set of operations. This is always figured generously. For example, a man is expected to turn out a certain number of castings in nine hours. Then he is paid by the piece, and the time limit is so figured that he can turn out far more than the number required of him as a day's work. Invariably the men have largely increased their wages in this way, and workmen and foremen alike are enthusiastic in its favor. That plan offers a premium to individualism. The slowest workman can always make his day's wage—and the better workman he is the more he can make."

When this plan was initiated at the Philadelphia convention of 1903, it was opposed by the International Association of Mechanics, and it

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## INDUSTRY AND PROGRESS

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has been opposed by many unions since, on the ground that payment in wages based on performance means that the employers will persistently find opportunities to force up the standard of accomplishment for a given wage—an objection aimed at any plan of piece work. As general industrial understanding and good will increase, this weakness, based on selfishness and bad faith, will grow less, and the minimum wage, made possible by a minimum efficiency, and supplemented by payment for extra performance, will be the future basis of payment for many kinds of labor.

A certain carpenter was asked why he had left a large city and ceased to be a union man. "Well," he said, "I was a good carpenter, and I like to work. It didn't please me to be told I must do as little as the man alongside of me. I had heard wages were high in the city, so I went there, but I was worse off at the end of a year than I was at home, because this union business held me back. So I hunted up a small town, with plenty of wooden buildings, and set up for myself, and accepted only work that I could do alone. The result is I am busy and happy and well off; I work as long as I feel like it, sometimes eight hours, sometimes twelve. I charge high prices, but my

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## LABOR

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customers get their money's worth." That man's children have all necessary advantages, and full opportunity to rise. Any solution of the labor problem which suppresses the abler man will work out badly. In helping the weak we must remember that progress is made by the strong. The weak in one century are better off because the strong were free a century before. United labor will never have the full sympathy of society except where it is willing to see one man do more and better work than his neighbor of lesser gifts or weaker character. The suppression of the superior individual, the limitation of output, and the refusal to allow skill to be generally acquired, are three positions which can never have public support. The laborer, like the employer, must have a conscience about the general welfare. Dreams of the universal strike will lead him wrong. He will gain more by reason than by oppression. Just as the public is studying to check monopoly in capital it will never permit monopoly in labor. It will never permit any labor organizations to grow so strong that they can tyrannize over the whole industrial field. We must keep the freedom to talk it all over reasonably together. Each union should be strong; the

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## INDUSTRY AND PROGRESS

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stronger it is the more rational it will be; but a union trust can become so powerful and cumbersome that it not only offends our sense of freedom, but acts on so broad a field that it cannot be properly in touch with conditions. Our hope lies, not in the fight of one vast trust against another, but in rational and close personal relations in separate industries—in boards of conciliation, in improved laws and enlightened judges, in long contracts and steadier employment, in increased efficiency as well as improved conditions, in unions which are so intelligent and attractive that they do not need oppression to bring members, or strikes to give them a just share of the products of industry; a share as full as is consistent with a return to capital sufficient to keep it active, and is also consistent with honest consideration for the consumer and the cost of living. Happily this ideal of reason, of knowledge and of fellow-feeling, plays daily a larger part in the world's task, growing with such speed that twelve months seldom pass without an advance sufficient to encourage belief and hope.

## CHAPTER III.

### PRODUCTION.

To Adam Smith, for ten men to make 48,000 pins in one day gave food for wonder and surmise. By 1888, three men could produce in a day 7,500,000 pins of quality much superior.\* About thirty years ago it was estimated that an individual could produce about 750 times as much yarn as 100 years earlier.† In 1780, before the grain cradle was invented, an able-bodied farm laborer in Great Britain with a sickle could reap about one quarter of an acre of wheat in a single day. Two horses and a man, in the same time, can now cut, rake and bind the wheat of twenty acres. All the resources of 1840 would be inadequate to reap or sow our present annual crop of wheat or corn.‡ Production on a big scale begins almost from the Civil War. What becomes of this multiplied product of man working for a given time? Partly he has decided to work less and live more, but principally he has increased his consumption,

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\* D. S. Wells, "Recent Economic Changes."

† Hoyle, "Our National Resources"

‡ Wells, "Recent Economic Changes."



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## INDUSTRY AND PROGRESS

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especially in substantial food and clothing, but also in books, newspapers, theatres, furniture, house decoration, kerosene, sewing machines, motors, and other articles which in the opinion of the human animal multiply the value of his life. Also more creatures can exist. One hundred years ago the population of 1910 could not have lived. An Oriental legend tells of a man of great learning who, able by incantation to compel inanimate objects to work, ordered a stick to bring him water. Now it happened that he was ignorant of the words which would revoke the order to a stick engaged in bringing water. When the amount of water produced began to look dangerous, he chopped the stick in several pieces. Each piece then began to bring him as much water as the whole had brought before, and ultimately the magician himself and the whole world in which he lived were destroyed by the forces which he had discovered but only imperfectly controlled. According to Chinese philosophers, the powers which we have called into existence must ultimately destroy us. In Europe and America also numerous men, including wise ones, have thus pointed with alarm to present or predicted results of mechanical productiveness. Professor Ely says of the com-

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## PRODUCTION

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petitive system to which much of our inventive-ness has been due :

“In its onward march it crushes and grinds to powder human existences by the million ; its rubbish has magnitude of tremendous proportions, and this rubbish consists of human beings with minds, hearts and souls—men, good men often ; women, and very frequently indeed innocent women, women with precious gifts which ought to be developed for themselves and others ; and little children with all their possibilities.”

Although the laborer is better off than he used to be, the tragedy still is bitter. Our manufacture of matches would seem incredible to the past, but while 47 per cent. on invested capital was being made for stockholders, girls employed did not receive enough to keep them off the streets. The speed of sewing machines increased so rapidly that in the six years from 1899 to 1905 the number of stitches per minute doubled, but meantime the strain on a girl's eye is more than doubled, she is used up faster, and she receives no more money for her life,\* all the gain going in lower prices to the consumer. The minute specialization through which these vast gains have been won from nature often makes of the laborer a mere attendant

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\* Florence Kelley, “Some Recent Gains through Legislation.”

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## INDUSTRY AND PROGRESS

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to a machine. It takes away the variety, companionship and personal significance of the old days when one article was entirely manufactured by the workman, who thus, a creator, saw his work take living form beneath his touch. The old Viking was soldier, sailor, merchant, blacksmith, all at once. Henry George, in his "Social Problems," has an eloquent description of the old-time blacksmith, or rather "black-and-white-smith," for the finished workman worked in steel also. His smithy stood by the roadside, and through the open door he caught glimpses of nature; wayfarers stopped to inquire; neighbors to tell and to hear news; children saw the hot iron glow and watched the red sparks fly. The smith shod a horse; then he put on a wagon-tire; he forged and tempered a tool, or welded a broken andiron; he beat on a crane for the deep chimney-place; and when he had nothing else to do, perhaps, he wrought iron into nails. Now, instead of this, we see enormous establishments covering acres and acres, where workmen are massed together by the thousands. The doors are marked, "Positively No Admittance." The workman lives silent in a whirl of wheels and belts, doing over and over the self-same thing, passing all day long

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## PRODUCTION

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bars of iron through great rollers, presenting plates to steel jaws, turning bits of iron over and back again sixty times a minute, year following year. The boy in early youth can learn to tend his machine—when his hair is gray he knows no more. If sixty persons, in cooperation, make shoes with incredible rapidity, so that all of us are better shod, not one of the sixty could make a shoe alone. The farmer's wife is no longer able to take the sheep's wool and produce her husband's coat. The laborer, knowing only one step in a complex process, and for other reasons, finds it harder to become himself an employer. He becomes part of a great machine which may be paralyzed without his fault.

I need hardly repeat my belief that the drawbacks from specialization, concentration and machinery are far outweighed by the advantages. The general rule is that the worker in a modern factory leads a higher life than the average laborer ever lived before. Alfred and Mary Paley Marshall, in "The Economics of Industry," remark that:

"When the work is light, and the hours of work not excessive, monotony is not very injurious. . . . Even when the division of labor makes the work of an

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## INDUSTRY AND PROGRESS

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individual monotonous and uniform, it makes the work of the country at large changeful and various. The worker in a town, whose mental and physical energies are not strained by his work, can hardly fail to be educated by the variety and excitement of the various work that is going on around him."

Mr. Nasmyth, in the Tenth Report of Trades Union Commissioners, said in 1868:

"If you call for the brute force of a man you will degrade the man. He goes to his house so physically exhausted that it is an utter absurdity to say to that man, 'Read and improve yourself.' He would fall asleep immediately: he must go and take some excitement. But if you take the man who has been superintending some piece of machinery all day, in which there is very little or only a minimum of call for his brute force, you will find . . . . a reader and a self-cultured man. . . . I think this is the result of machinery, that it takes away the necessity of brute labor, and very much elevates the intellectual and moral position of the working classes."

Not all the evils charged against modern industry by Henry George and others are fanciful, and not all that exist can be removed, for some are inherent in the tragedy of life. A great sweetening of the human lot is possible, however, with kindness and knowledge. The economic basis for a happier existence apparently will not

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## PRODUCTION

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fail us, but on the contrary a given amount of effort will continue to produce more and more for man. Machinery will be improved, but methods and organization will be improved still further. Many experts look upon efficiency as in its infancy. The studies of F. W. Taylor and others in special branches of this field lately suggest almost unlimited possibilities. One of these experts, Harrington Emerson, in his recent book on "Efficiency as a Basis for Operation and Wages," declares that men, women and children starve, not because there is not abundance, and not because a few have appropriated the portion of many, but because there is a quite unnecessary waste. Man, he says, wastes three quarters of the coal in the ground, brings the remainder to the surface by inefficient labor and appliances, and doubles or quadruples its cost in transportation. Rarely is ten per cent. of the coal transformed into electrical energy; of this only five per cent. can appear as light; and ten to twenty times as much light is provided on a writing table as is necessary, because of the distance of the bulbs from the place where the light is needed. The firefly, converting the hydrocarbons of its food into light, and using the light for its purpose, is in production about

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## INDUSTRY AND PROGRESS

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750 times as efficient as man, in volume use ten times as economical, in time use twice as economical; or altogether 15,000 times as efficient as his human rival.

“Even if, as yet, some of the high efficiencies seen in nature are beyond reach, it is a greater reason for eliminating those wastes which are avoidable and which are primarily responsible for the starvation of men, women and children.”

Mr. Taylor calculates that a first-class man can, under proper conditions, accomplish from two to four times what he does accomplish, and that with no sacrifice of health or strength.

Our crops are about 30 per cent. of what they ought to be. The average yield of potatoes per acre, over a series of years, is 96 bushels. In the desert state of Wyoming an average yield of 200 was reached in 1907, owing to the intelligence of one man, who himself reached 1,000 per acre, while the fertile state of Kansas was averaging 65. He reached an efficiency five times as great as the average in his own state, ten times as great as the average in the United States, and thirteen times as great as the average in a state as blessed as Kansas with favorable soil and climate. Calling the standard 500 per acre, as Mr. Emerson

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## PRODUCTION

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does, or half of the Wyoming man's yield, the yield in the United States is 19 per cent. of what it should be, and in Kansas 12 per cent. If the whole United States attained an efficiency in this one crop of only 50 per cent. of standard, the increased value would be enough in one year to pay for the Panama Canal, or the present result could be reached with 40 per cent. of the acreage and labor. It is estimated that a standard attainable yield of wheat is fifty bushels. The actual yield is fourteen. The total is 650,000,000, when it ought to be 2,500,000,000; and yet, as Mr. Emerson exclaims, there are charity bread lines in New York. Intensity of production, he goes on, on the human side, should mean not the physical exhaustion of an overworked victim, but the joyful stimulus that comes from favorable conditions. As the conditions in industrial organization are no higher than those of agriculture, the amount of needless loss going on at present is almost beyond the power of the mind to grasp.

The machine, therefore, and the modern mechanical system of industry, may be turned into the world's greatest benefactor, but it has many charges yet to meet, political as well as social and economic. Let us take up what is probably the



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## INDUSTRY AND PROGRESS

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largest strictly political issue that confronts us. The machine is father to the trust, and to all its social and economic problems. Units of capital have grown so large that they cannot be met on equal terms by some of their competitors, labor unions or by legislatures. The whole competitive system is thus put on trial, and in a new light. In many lines of manufacture we cannot have the kind of competition which existed a quarter of a century ago, without disastrous fluctuations in prices and increased danger of commercial crises,\* due to irregular investments of capital. The best intellect of the United States is now studying how to regulate competition, and, as the result thus far remains:

“ . . . . We are here as on a darkling plain  
Swept with confused alarms of struggle and flight,  
Where ignorant armies clash by night.”

One corporation has annual receipts of over \$350,000,000. The very fact of its size makes it certain to be controlled by a few rich men,† and such was the avowed purpose of Mr. Morgan and Mr. Hill in forming the Northern Securities Com-

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\* Hadley, “The American Citizen.”

† See an extremely able and suggestive study of the subject by Chas P. Howland in *The Columbia Law Review*, February, 1910, entitled “Monopolies: The Cause and the Remedy.”

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## PRODUCTION

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pany. It is in a modern form the evil which the old law objected to as mortmain. As Mr. Howland says, in a letter to me:

“Huge corporations are obnoxious when they monopolize business in a given commodity, but they present a greater danger on social and political grounds. Many accumulations of wealth in corporate form are as much of a menace to the future of the country as if they possessed a monopoly—perhaps even greater, for they are less likely to arouse resistance. If the International Mercantile Marine, the Pennsylvania Railroad, the Union Pacific system, the Standard Oil Company and the General Electric Company should merge in a single corporation or be combined by a holding company, there would be no combination of competitors, but the combination would be too great for republican government to endure.”

After the merger decision of 1904 a well-known lawyer declared that no one any longer believed competition to be the life of trade. Our attention has been more and more called to the fact that “competition among animals means death,”—and often among men. What shall we say of “cutthroat competition”—selling below cost of production in order to destroy? Is it wrong economically? Is it wrong morally? Would it be right for the Standard Oil Company to lower its prices in one state just long enough to send a

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## INDUSTRY AND PROGRESS

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local petroleum business to its eternal rest? The courts are now endeavoring to apply the Constitution and the old laws about monopoly to our complex modern conditions, but neither the public nor the lawyers are agreed about whether this task can best be executed by courts, legislatures or special expert commissions. It is a task for an intellectual Hercules, or rather for thousands of them, and the best thinking available will be insufficient without prolonged study of experience as it is acquired. No one sweeping rule will be sufficient. As President Hadley puts it, competition is a good medicine for some things, but not for all. We must not forget, in our regulation, what has been taught us by the past; as, that when prices rise and fall with demand, economy is practiced during scarcity, but when the mediæval church undertook to forbid any raise in the price of bread the result was famine. Also, to go on with Dr. Hadley's argument, down to the eighteenth century the general practice had been to hedge about business with a multitude of restrictions. Under the influence of the individualist philosophy of the first half of that century, these restrictions were removed, and the resulting freedom was of undoubted benefit. When a man had the right to

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## PRODUCTION

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enjoy what he produced, he was driven by a stronger motive to work. The increased energy thus set loose was what put an end to the economic need of serfdom. Labor became free, willing and efficient. As free use of it was guaranteed, capital was accumulated, saving was practiced, new methods of production were enthusiastically developed. A few centuries ago, individual freedom was not recognized, in law, in morals or in trade. It was found, little by little, that human nature could be trusted. When the eighteenth century granted industrial freedom, it was followed not only by efficiency in labor and by increase and intelligence of capital, but also by large schemes of material service; by constitutional liberty and rational altruism, as well as by modern business power. Macaulay said that the cure for evils of liberty was more liberty. Much truth lay here, which we must remember, yet we are convinced that no one principle can serve this multi-form universe. That unchartered liberty cannot be trusted all alone is shown by the now universally conceded need of the factory legislation which most of the British political economists condemned at the time when it was passed. The warning to be derived from these experiences of the past

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## INDUSTRY AND PROGRESS

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is not against any regulation, but against any that is not clearly conceived, unmistakably necessary, and undertaken with a full realization that the world has lost much through unwise restriction made in pursuit of the same ideals which we pursue today. In politics it will not do to urge everything that assumes to be for the benefit of the common man. So in economics, a spirit which accepts measures merely because they are aimed at trusts is not safe. Right new laws would do a real amount of good. Wrong ones would merely take us perhaps to new evils that we know not of. Some French writer said that misdirected virtue is more dangerous than vice. Thus far, with the public mind having produced no clear principles of regulation, we can intelligently take only short steps. Personally I believe, for instance, that Mr. Taft's badly drawn corporation tax law was a start in the right direction, not only because it is sound as taxation, but because of the information in which it might result. Publication of campaign contributions is another example of the kind of step forward which, if not very far-reaching, is at least seen clearly to be right; and taking the tariff question in its details out of politics is another. Had we handled our natural resources

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## PRODUCTION

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wisely from the beginning, and not been in such a hurry to "develop" the country rapidly at any cost, the trust situation might have been much more simple. We have, however, at the present moment a chance to do in Alaska on a smaller scale what we failed to do here—use the natural resources and yet not allow monopoly—and we have an opportunity also to work out the problem in the only natural asset in the country that is left. The water power was not given away with the rest because it was not discovered. We may or may not be able to solve these two comparatively simple problems now, even after all our experience with land, timber, minerals and railroads; and yet it is one clear opportunity to prevent monopoly instead of trying to regulate it after it has grown huge. If principles of control and of shared advantage—like those, for instance, which Boston applies to her gas franchise—had been from the beginning applied to much of the earth's wealth which we have allowed to be cornered by the few, the people might not now be stirred by a sense of helplessness in the presence of a wrong, and the whole expenses of government might be met by the returns from franchises. The situation being what it is, however, the first sound

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## INDUSTRY AND PROGRESS

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step must be the increase of knowledge, and talk about "inquisition" in corporate matters is ill-applied. A short time before these words were penned, the copper producers were objecting to publishing monthly the output of refined copper and of stocks on hand in North America, and one of them was quoted thus:

"There is no more reason why we should publish our stocks on hand than the steel companies of the country should publish theirs. The copper figures afford too much ammunition for speculation in Wall street. Besides, the public generally arrives at an erroneous conclusion of the monthly statements. When there is a heavy increase in stocks, the cry of overproduction goes up. The result is an unwarranted slump in copper prices. When there is a reduction you hear famine talk, and copper prices move up."

All such arguments must yield to the stronger consideration that our concentrated industrial system is on trial and that wise regulation of it is impossible without as much knowledge as possible, not only in expert boards, like Public Service Commissions or the Bureau of Corporations, but among the people generally, who, like an individual, are sure to be made cautious by increased information. The more the human mind knows about a subject, the more it acquires, not of the

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## PRODUCTION

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conservatism which is blind fear of the unknown, but of the conservatism which means caution and thoroughness in the face of complex realities—like the courageous humility of science.

Most difficult of all the problems of modern producing methods is the problem of mere size. That steam, and its daughters electricity and machinery, have resulted with complete inevitableness in great concentration, is of course undoubted. Up to the point that centralization of industry is actually economical it probably cannot be and ought not to be checked. The spot we wish first to discover and then to choose for attack is that spot where centralization ceases to win by the economies it produces and begins to win by the mere ability to destroy the smaller rival. Here is a statement by an expert engineer:\*

“It is notorious that great aggregations of wealth and power usually do not operate as efficiently as smaller concerns. Nothing in the United States is so gigantically inefficient in proportion to its power and opportunities as the United States government, equally in what it attempts and in what it fails to attempt.

“The great industrial and transportation corporations are often very efficient in manipulation, but content with

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\* Harrington Emerson, “Efficiency as a Basis for Operation and Wages”



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## INDUSTRY AND PROGRESS

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low efficiency of operation, although there are notable exceptions. The great ocean shipbuilding yards from Maine to Virginia, from Puget Sound to the Bay of San Francisco, depend not at all on the internal efficiency (which enables the International Harvester Company, although a thousand miles inland, to export in competition with the whole world) but solely on absolute prohibition and on lavish government appropriations. It is the little American plant manufacturing automobiles, motor boats, or bicycles, making locomotive repair parts, or some other specialty, that defies the competition of the world."

Here is another expert engineer's view:\*

"If manufacturers in general realized how much an increase in efficient operation really meant to them, they would be very slow to increase the size of a plant until they had become pretty well convinced that they had gotten it up to its maximum efficiency."

" . . . . If the same intelligence and industry had been applied generally to the art of production as has been exercised in selling products, I can hardly help feeling that we should be suffering less acutely today from high prices. . . . .

"The supreme importance of efficiency as an economic factor was first realized by the Germans, and it is this fact that has enabled them to advance their industrial condition, which twenty years ago was a jest, to the first place in Europe, if not in the world."

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\* H. L. Gantt, "Work, Wages and Profits" This book is to be highly recommended also for its discussion of what modes of payment make for efficiency.

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## PRODUCTION

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As our natural resources are used up we shall become more critical of the sacrifice of efficiency to a size which is successful only through its power to murder competition, and which is responsible not only for much economic unsoundness but for much political uneasiness. Daniel Webster said:

“The freest government, if it could exist, would not long be accepted, if the tendency of the laws were to create a rapid accumulation of property in few hands, and to render the great mass of the people dependent and penniless. In such a case, the popular power would be likely to break in upon the rights of property, or else the influence of property to limit and control the exercise of popular power.”

And Montesquieu, in his “*Spirit of the Laws*”:

“Commerce is a profession of people who are on an equality, for merchants of unbounded credit would monopolize all to themselves. The most miserable among despotic states are those where there is such a monopoly. . . . All inequality in a democracy ought to be derived from the nature of the democracy, and even from the principle of equality.”

Bacon’s opinion was:

“Above all things, good policy is to be used, that the treasures and moneys in a state be not gathered into few hands, for otherwise, a state may have great stock, and

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## INDUSTRY AND PROGRESS

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yet starve; and money is like muck, not good except it be spread."

Adam Smith spoke of:

"The mean rapacity, the monopolizing spirit of merchants and manufacturers, who neither are nor ought to be the rulers of mankind."

Jefferson's influence on the thought of this country is largely due to the eloquence and conviction with which he expressed the need of distributing power. Commenting on these quotations and the principles involved in them, Mr. Howland says of these vast artificial creations, to which we have granted powers always refused to individuals:

"We have now repealed the policy of centuries and re-established mortmain. All that is denied to individuals by limitations of nature and of public policy is now granted to corporations by law. Upon their power to possess no limit is placed. Every day the mammoth corporations are withdrawing from the general mass of property in the country an increasing proportion of the common wealth, which thus passes beyond the sphere of general distribution. The citizen, who in theory enjoys an equal opportunity with all others to engage in business and to acquire a share in that general mass of property, finds that the mass is shrinking, and that his equal opportunity is an opportunity without a goal. This is mortmain, and these

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## PRODUCTION

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are its evils. . . . Trusts are organized for pecuniary profit, and their prices are dictated by their power and prudence. Once in charge of all markets they may reduce prices much slower than discoveries of trade, economies of production, benefits of inventions will warrant. After a time we have no means of knowing what prices would have been without monopoly; where it exists all opportunity for economic comparison ceases. . . . Securities in any amount may be produced at will—cash avails also for exceptional cases, with which to buy out dangerous rivals if any remain; the same factors create the inducements for the rivals to sell. If they will not sell, the trust with its greater capital and credit can maintain a price war until they succumb. Then the trust dominates the markets, and simple precautions suffice to deter new competition; the trust will buy all patents and facilities helpful to its control, it will extend in one direction to control the supply of material, and in the other to eliminate middlemen and reach the consumer. The larger it grows the stronger it becomes. . . . In some kinds of business the avenues of trade are open only to a single concern. The farmer may sell cattle, linseed, cottonseed and tobacco only as the trusts choose to buy, and he may buy his fertilizers, his seeding and harvesting machines and his jute-bagging only as the trusts choose to sell to him. The 'cost of living,' instead of being an expression of the needs and resources of society adjusting themselves through multitudinous transactions, is fixed by central authorities; they limit the output and control the prices of crackers,

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## INDUSTRY AND PROGRESS

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hams, sugar, salt, kerosene, chewing gum, matches, glue, soil and sewer pipe, radiators, sewing machines, etc."

The Socialistic remedy I shall take up under Distribution, since it seems natural to discuss it in connection with cooperation, and cooperative action has been employed more successfully in distributing goods than in producing them. The fact that the production of so many articles, including many of the necessities of life, has tended rapidly to pass into the hands of monopolies means that many branches of business will be taken over by the government, unless the intelligence and character of the people, the judges or the legislatures prove sufficient to work out a system of checks or of supplements not yet clearly seen. The discovery of absolute remedies or extensive mitigations will be helped by every wise bit of progress, however slight, and in this fact, even more than in the direct or intrinsic effect, lies the importance of such steps ahead as honest tariff methods; official and public knowledge of corporation facts; public service commissions; sharing of the results of mechanical processes with the public, after the Massachusetts plan, or with the laborers, in steadier employment or better hours or wages, or otherwise in fairer relations.

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## PRODUCTION

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On the courts lies an enormous responsibility, both to bring high intelligence to those aspects of the problem which are presented to them and to keep their hands off those aspects which are not submitted to them. I share essentially Mr. Roosevelt's feelings about the Knight decision and the New York Bake Shop decision, and deem the general answer to his criticism of the latter case inconclusive. The Knight case showed failure so to consider the real facts of modern life as would make clear what actually does constitute a step toward monopoly, and the New York Bake Shop case showed dangerous interference with legislative rights. When the legislature of a state undertakes to regulate industry, wisely or unwisely, the courts ought to go to extremes in order to keep their hands off, instead of to extremes in order to assume control. In the Bake Shop case the court in reality upset a law because they did not happen to share the judgment of the legislature. Nobody has made them a repository of political wisdom, and if they do not cease to progress in legislative usurpation there is serious danger that an angry populace will one day strip the courts of needed powers or resort to short-term elective judges. The field of industry and

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## INDUSTRY AND PROGRESS

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economics is but one of those in which the courts have undertaken a power which it was never intended they should have, but it is at present the most dangerous domain in which they have indulged in trespass.

Even if we show the most profound political and economic intelligence, and even if the patience and generosity of every class approaches the ideal of Christianity, some of the evils which we have been discussing will remain, for the individual can never again in the United States change his social and business standing as readily as he has been able to do among the virgin resources, sparse population, and smaller units of the past. He loses some freedom to advancing social communication and dependence. He should, however, if our brains and hearts act well, have for his labor a greater product, which should mean more time for thought and reading, pleasanter surroundings for his work, longer and better schooling for his children. If our mechanical progress in production fails to mean all this, the failure will lie partly in the national intelligence, and partly in the imperfect national acceptance of the simple moral commonplaces to which we all do homage with our lips.

## CHAPTER IV.

### DISTRIBUTION.

The line dividing production from distribution, like the line between blue and green, is imaginary. The one shades into the other. The railroad, which brings the ore to the steel manufacturer and the casting to the foundry, is as much an element in production as in distribution. Although the two objects, however, pass one into the other, large areas are distinguishable, and while some problems are alike for both, others are dissimilar.

Let us consider first that great modern agent of distribution called the railroad. That it contributes to the welfare of man is doubted, it seems to me, only by the person whose thinking is unreal; who inveighs against modern conditions, and yet refrains from going to any of the numerous spots where he could readily find surviving the conditions of life which he imagines he laments. Politically, the railroad was essential to our national unity. Economically, it is a leading factor in that fluid communication and distribution which have meant the transformation of the world into a place where the majority are further



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## INDUSTRY AND PROGRESS

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removed from the servile state. Without it, our crops could scarcely move from the region where they happened to be grown.

Bastiat asks what the carpenter, who spends his life making tables and chairs, receives in return. He receives, for instance, clothing, to make which an enormous amount of labor and many ingenious inventions have been employed. In one part of the world cotton has been produced, in another wool and flax, in another hides; and all these materials have been transported to the towns, where they have been spun, woven and dyed. He receives schooling for his children, which is a result of the work of many thousand minds. If he undertakes a journey he finds that other men have filled up valleys for him, hewn down mountains, and united the banks of rivers. The social mechanism gives to the humblest workman things which he himself could not produce in many ages; and these general truths are well to remember in a day when the desire for regulation is not always accompanied with sufficient appreciation of what the railroads have accomplished.

In the railroad problems of today, the intellectual are to be distinguished from the

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## DISTRIBUTION

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moral elements. The intellectual side is frankly still almost in the state of chaos. Everybody admits the need of regulation, and nobody has been able to draw a statute which should seem to give a satisfactory outline of what regulation ought to be. Often a law brings about the opposite of what it seeks, as the laws against pooling hastened combination. The abolition of long and short haul prices, and the introduction of a straight mileage rate enforced upon the roads, might almost remake the map. Nobody can be sure what it would or would not do. The causes which determine rates have never been stated, except with the utmost vagueness, by the men who make them. They are a complex of experience, intended to obtain the greatest amount of profit, and therefore in the main to stimulate a large amount of traffic, but there is no clearer rule. Any Commerce Commission, instead of sweeping rules, must for a time feel its way cautiously about rates, just as any body to which the task is entrusted must, in the present state of thought, feel its way cautiously about combination. Even when a conclusion is clearly accepted, as that the same men ought not to control railways and the products which they carry, there has heretofore been no successful ex-

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## INDUSTRY AND PROGRESS

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cution of the idea; the commodity clause of the Interstate Commerce Act being thus far a failure. Expert boards may be expected to accomplish more in time, but at the present moment they have not been able to do much except to improve details of service.

Our only assured progress in the railroad problem has been political and moral. We have in the last few years, by abolishing passes, discouraging lobbyists, improving primaries and awakening public opinion, largely forced the railroads out of politics. The Boston & Maine no longer dictates laws to New Hampshire, or the Southern Pacific to California, or the Atchison to Kansas. And as the public has been educated in this regard, so have railroad managers also. They now seek to gain points from legislatures or commissions, not by furtive control but by fair and open argument; and often they welcome regulation. Few of them, for example, wish to go back to the secret rebates, by which they wrecked useful competition and made monopolies in lines of business for which there was no economic reason for monopoly, as there is in railroads themselves, telegraph lines, or telephones. They now realize that, as Professor Seligman puts it, they have

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## DISTRIBUTION

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no more right to make different rates to different customers than the government post-office has. They are moving rapidly also toward the point where they will agree that "the secret and unfair use of 'inside information' is one of the most prolific causes not only of unnatural inequality, but of our political and social undoing."\* Mr. William Henry Baldwin, Jr., himself a successful railroad man, urging the need of regulation in any industry on which the prosperity of all depends, declared that "there is a higher law than supply and demand." It was this same enlightened and successful railroad man who said, what can still be applied to some great roads, "if they want to fight trade unions, that is their privilege; but let them do it openly and not in the guise of baths, gymnasiums, cheap lunches, entertainments, or profit-sharing." It is only recently that social ideas of the type that distinguished Baldwin have been found among railroad men. The builders, from Vanderbilt to Hill, have been powerful, enterprising, stirring characters, but only of late have they seen the ethical bearings of their power. Colonel Wright believed, "If you could put Bald-

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\* John Graham Brooks's "An American Citizen," from which the quotations about Baldwin are taken

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## INDUSTRY AND PROGRESS

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win's capacity, sympathy, and moral insight into all our employers, there would be an end to all really serious labor troubles within two years." As ideas similar to those of Baldwin, about the railroads' relations not only to employees but to the whole public, are spreading among the able railroad experts, we may expect some effective cooperation between representatives of the people and the men who best know the difficulties of the problems. Baldwin said, "I need, as an employer, an organization among my employees, because they know their needs better than I can know them, and they are therefore the safeguard upon which I must depend in order to prevent me from doing them an injustice." Perhaps the day is to come when a similar confidence will exist, in both directions, between the railways and the public. Baldwin's life answered affirmatively the question, which Mr. Brooks heard him ask: "Harnessed into a great corporation as I am, can one really fight for the big human causes? Can one through thick and thin defend his own corporate interests and at the same time defend public interests?"

The favorable answer to Mr. Baldwin's question has been made possible only by the changing views of what are private rights, and what public

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## DISTRIBUTION

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duties are. Big business, under modern concentration, has of necessity, as Mr. Hadley has said, become a trust, delegated to a comparatively few. If this system is to be satisfactory, we must have the modern equivalent of the teaching of Lycurgus to the Spartans. "The dread of living for himself alone was the earliest lesson imprinted on the mind of a Laodicean." Ethics change. Demosthenes was bribed; Themistocles, Alcibiades and Coriolanus were traitors. Our leaders do not commit these faults now, but they are only just learning how immoral it is to manufacture securities instead of commodities. Theft was the only form of dishonesty recognized by the early Roman law. The circumstances of life are changing so fast that laws and morals both find difficulty in adjusting themselves. We live under a new system. "This new system must not regard the director as an individual pursuing private business of his own. It must not allow him to resent the supposition that he shall conduct his business unselfishly. It must regard him as having moral responsibilities to his stockholders, to his workmen and to the consumers."\*

Nor must the change apply only to the larger

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\* Hadley, "The Education of the American Citizen."

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## INDUSTRY AND PROGRESS

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kinds of business. In the church of St. James of the Rialto, in Venice, Ruskin read the ninth century inscription: "Around this Temple let the merchant's law be just, his weights true, and his contracts guileless." We have no means of knowing whether this advice was frequently accepted. The Roman lawyers assumed that trade must be without any moral quality. Paulus puts it thus: "In buying and selling a man has a natural right to purchase for a small price that which is really more valuable, and to sell at a high price that which is less valuable, and for either to overreach the other." If we are to ask honesty of a great public distributor like the railroad, we must ask it also in the smallest retail shop. I do not believe there is a sounder and more appropriate law on the statute books than the Pure Food Law, for which President Roosevelt fought so hard, and against which Uncle Joe Cannon fought so doggedly. And we have gone further than the right to mere absence of fraud. Mrs. Kelley says that the purchaser now has the right:

1. To have goods as represented.
2. To have food that is pure and garments that are free from infection, when bought of reputable dealers at the price asked.

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## DISTRIBUTION

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3. To be free from participation, indirectly, through purchase, in the employment of children and of the victims of the sweating system.

A recent act of the New York Legislature was based on the extremely prevalent custom of giving short weight and short measure. An investigation indicated that in prominent thoroughfares of New York 59 per cent. of the scales, 71 per cent. of the weights and 82 per cent. of the capacity measures were incorrect.\* Of course this is another case where comparatively few of those who cheat are of dishonest nature. The majority are led astray by unfair competition, and will welcome effective regulation. So with the sale of fraudulent wearing apparel. The United States government probably is not much cheated when it buys clothing, but nearly every private citizen is.† To inferior fabrics is skillfully given the look of superior fabrics. Cotton is made to look like wool, and to feel like linen. Silk is adulterated by the addition of weighting material; \$800,000,000 are spent annually in the United States in clothing

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\* Fritz Reichmann, Superintendent of Weights and Measures, in the *American Magazine*, September, 1910.

† See a treatment of this subject in *Harper's Weekly* for March 5, 1910, by Nellie Crooks



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## INDUSTRY AND PROGRESS

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and textile materials, and a large part of it is still fraudulent.

"Has anything been done to relieve this state of affairs? The only law in the State of New York which treats specially of the adulteration of clothing is one enacting that collars marked 'all linen,' 'pure linen,' must have at least one ply or thickness of linen. This law is said to have been passed at the urgency of the laundrymen of Troy, as the linen collars can stand the alkalies and acids used in the laundries better than the cotton substitutes."\*

A golden rule grocery was started in England, and I believe did not over-well, but yet it is what we must work toward. Old John Woolman, when engaged in retail trade, stopped selling "things that served chiefly to please the vain mind in people," and he said: "I found it good for me to advise poor people to take such goods as were most useful, and not costly." We have not yet reached Woolman's standard, but it is easy to see why Dr. Eliot included him among the Harvard classics. We have at least traveled away recently from the rule of law known as "*caveat emptor*," which meant that the purchaser must look out for himself. Frauds of adulteration, and

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\* In the session of Congress of 1910-11 Mr Victor Murdock, insurgent leader in the House, has introduced a bill applying the pure food principle to wearing apparel.

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## DISTRIBUTION

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of inferior material and workmanship, were encouraged by the first steps of separation between production and distribution. Once the bookmaker and watchmaker and harnessmaker sold his own products, and if it was something made far away, like tea, the retailer at least carefully selected his own purchases. When big manufacturers began to compete against one another, and the seller was not the maker, hidden inferiority became easier, especially at first; but this was before brands and trade marks came in, to make the better class of manufacturers responsible to the public for the quality of their goods.

And this mention of trade marks brings me to one of the great modern methods of distribution, which is advertising. This is the modern marketplace. The world has grown too big, and function too divided, for the people to exchange their completed products personally in a village square. Truth in advertising, said a New York business man, implies integrity in manufacture. The large manufacturer is coming to approach much nearer to the truth in advertising than he did; to rely upon specific information rather than on boasting. The newspapers and periodicals are educating themselves toward cooperating in this government.

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## INDUSTRY AND PROGRESS

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Governor Hughes, somewhat driven by the agitation of a newspaper which was itself full of get-rich-quick mining advertisements and other Stock Exchange evils, is reported to have said that one of the most needed, practical and salutary steps would be to prevent the newspapers by law from lending themselves to such fraud. Social development, without law, has carried the better periodicals and many dailies to a standard which makes them decline to be the medium for financial and medical fraud.\*

In order to avoid the waste now incurred in our methods of distribution, to assure better quality to the consumer, to give to the consumer the management of the business, and to remove other evils of the system of competition, many experiments have been made in coöperative distribution. Attempts have been made also at production by coöperation, but the results have shown that the world is further from being able to produce co-operatively than it is from being able to distribute. An appreciable amount of retail business is now

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\* Just before I corrected the proofs to this book a New York jury gave a verdict of \$50,000 against George W. Post of "Grape Nuts" and "Postum" fame in favor of *COLLIER'S WEEKLY*, the size of the verdict expressing what the jury thought about the importance of honesty in advertising.

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## DISTRIBUTION

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done by cooperation. One of my early memories is of the welcome pecuniary relief furnished to the economical student by the Harvard Cooperative Society, and when one reads of how large a percentage it now saves, and how it flourishes, the wonder is that the system does not spread. Of course that society is conducted with ability, and ability is essential. Eight million of the inhabitants of Great Britain now buy part or all of the ordinary necessities of life from cooperative stores. Sir Horace Plunkett's work among the Irish farmers includes coöperative marketing.

There has been effort at cooperative selling on the continent, although it has proved more difficult than cooperative purchasing, which has sometimes been successful. French coöperative purchasing societies have reduced the price of manure by 20 and 30 per cent. It is frequently observed that enlightened coöperative education has turned Denmark from weakness into strength and prosperity. There has on the continent to some extent been successful coöperative banking.\* Vines have been cultivated in Italy on a system by which the profits are divided between the workers and the own-

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\* For the fullest account of what has been done see C. J. Holyoake's book, "The Cooperative Movement Today"

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## INDUSTRY AND PROGRESS

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ers of the land and vines. Early in the nineteenth century so much was expected of various forms of social labor that men of high education and large ability, as Professor Ely says, thought that communistic villages would revolutionize the economic life of the world. The original object of the coöperative movement, indeed, was to establish self-supporting communities, distinguished by common labor, common property, common means of intelligence and recreation. They were to be examples of industrialism freed from competition. In the communal life an ethical character was to be formed in the young, and impressed upon adults, and all assured education, leisure and ultimate competence as results of their industry.\* It was expected that the unnecessary middlemen could be cut out, the cost of production reduced, demand and supply brought into better relation, and the alternation of activity and depression in business avoided.† These ideas had their origin in the French Revolution. Of the attempts to apply them, made by Owen, Saint Simon, Fourier, and many followers, it cannot be said that the results have ever been successful on a big scale.

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\* Holyoake, "The Cooperative Movement Today."

† Henry Dyer, "The Evolution of Industry."

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## DISTRIBUTION

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In the only usual coöperative agency—the store—each applicant for admission is taken to accept the principles of truthfulness, justice and economy, in production and exchange.

1. By abolition of false dealing, direct or indirect—by misrepresentation or by concealing facts about articles sold.

2. By conciliating through equitable division of “profit” among capitalist, worker and purchaser.

3. By preventing waste of labor by unregulated competition.

There are indefinite shades to the cooperative principle. Profit-sharing has had its failures and successes. Herbert Spencer held that cooperation would solve those difficulties which are now found in payment by the piece. The sliding scale in which the workman’s earnings are proportioned, not to the mere amount of product, as in ordinary piece work, but to the selling price, has been extensively applied in mining, and to some extent in other industries.\* It is only one step further to giving the workman a share in the net profits, and logically one step further to coöperation, but the difficulty arises when the laborer shares the risk. The reason that all of these schemes have thus

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\* Hadley, “Economics.”

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## INDUSTRY AND PROGRESS

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far accomplished so little is, according to Emerson,\* that the connection between hard and efficient work today and a share in a hypothetical profit months hence, depending on ten thousand elements besides the individual's effort, is too slight an incentive; and in piece work the man might fail from conditions beyond his control, while if he succeeded the rates were cut. "Between the extremes of vague and unrelated profit-sharing and the one-sided exploitation of piece rates, many methods have been evolved for paying variable wages for varying efficiencies." One corporation paid out over \$600,000 in 1908 in premiums on the "individual effort" plan—a basic price for labor, with a premium for superior results. Whatever methods are perfected, for enabling the laborer to share more equitably in the results of industry, it is reasonably safe to guess that, in a universe which believes in efficiency, these methods will include a superior reward to the individual who produces superior results.

Holyoake gives the following incidents in the history of the coöperative movement:

In 1777 a tailor's coöperative workshop was

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\* "Efficiency"

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## DISTRIBUTION

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opened in Birmingham, with the object of finding employment for men on strike.

A cooperative store in England began in crude form in 1794.

A coöperative corn mill at Hull was put in operation in 1794.

None of these had the idea of superseding competition or establishing a new principle of social life. That idea first came into English minds through Robert Owen. Although Owen, the greatest of English socialists, was the founder of English cooperation, it is true in the main, as Marshall says, that "cooperation is divided from most modern socialistic schemes by advocating no disturbance of private property, and by abhorring state help and all unnecessary interference with individual freedom." Professor Ely, saying that the device of cooperation is self-help, puts it halfway between labor unionism and socialism, and says that coöperators, when worthy of the name, are firm in the conviction expressed for them by John Stuart Mill:

"That the industrial economy which divides society absolutely into two portions, the payers of wages and the receivers of them, the first counted by thousands and the last by millions, is neither fit nor capable of indefinite



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## INDUSTRY AND PROGRESS

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duration; and the possibility of changing this system for one of combination without dependence, and unity of interest instead of organized hostility, depends altogether upon the future developments of the partnership principle."

Mr. Emerson reasonably asks why the government cannot furnish work for all who need it, without any interference with the principles of individual efficiency; why there should not be a minimum wage at which employment in national works, reclamation of arid lands, harbor dredging, canals, highways, battleships and fortifications, would be always open, thus doing away forever with the disgrace of bread lines. This proposition to supplement private industry is entirely unrelated to the proposal to supplant it. Socialism does not appeal to the students of efficiency. Socialism would not lead us toward the ideal of having every man "work with the reliability of a steam valve, yet with the joy of a hunting dog and the inspiration of the artist." When the government in city, state or nation is as efficient as it ought to be, it will not try to substitute itself, either in production or in distribution, for the myriad wills and intelligences whose efforts now mean progress, but it will undertake and accom-

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## DISTRIBUTION

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plish the task of seeing that no person of average competence and willingness ever knows extreme poverty. Sympathy can, of course, be so emphasized that it makes for weakness. The world has been as much helped by the individual's enlightened self-expression as by softness of heart. The danger, however, of overdoing the Christian virtues is not great. The Hebrew reformers, reflecting their special conditions, gave vivid expression to one high ideal, which cannot thrive alone, but to which we have never yet given sufficient intelligent consideration.

## CHAPTER V.

### PROGRESS.

Thomas Jefferson, contemplating death, selected for his tomb words which should speak of him to unborn millions. To those millions Jefferson presented for their approval the best of his accomplishments. He did not record the conventional glories of his life. No syllable appears upon the stone at Monticello to hint that the dust there buried was called the Governor of a state. No word is spoken of this dust as Secretary under Washington, or as Vice-President of his country. For eight years he sat in the highest post, but a traveler, examining history on this tablet, would not be confronted with this fact. Two services only are graven there—the founding of an institution where men and women still equip themselves for service, and two documents, in which are proclaimed the rights and freedom of mankind.

Jefferson's conception of importance has prevailed. It is less than ever before the stage-accounted hero of whom we think, and more the faithful worker and the children who are to work

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## PROGRESS

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after him. Our consciences undertake that all one day shall be born with an opportunity to know the best thought of man; to earn, by reasonable effort, nourishing food, warmth, light, air and leisure sufficient for happiness, growth and contemplation; to take a real and immediate part in government and in solving the questions which affect us all; to enjoy, in short, those struggles, joys and sorrows which mark the difference between the life of Socrates and the existence of a contented or unhappy pig. There is a pedantry, sometimes found among those who are credited with culture, which puts elegance for the few above comfort for the many. Modern tendencies may be scorned by these, because apparently they make for uniformity. Among them one may hear perhaps more earnest sorrow on the changing costumes of Japan than on the 300,000 rooms without a window in New York. A traveler, dreaming of himself as owner of the Ducal Palace, is grieved at the presence of so many other tourists and horrified by steamers on the Grand Canal. When slums disappear, in some old pretty town, such a voyager is moved almost to tears. If he thinks of classic times, it is of himself as one of the ruling or decorative few. It is more difficult for him to

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## INDUSTRY AND PROGRESS

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identify himself with the slave or peasant. Even the invention of printing has been decried; and the trolley, because it increases the number of those who use the county roads; steel construction, because ideas of architecture can be applied more easily to stone. Man certainly shall not live by bread alone. It is not the person most deeply versed in history to whom modern democracy seems to threaten the spirit's high accomplishments. Ideal flights have never been reduced to rule, but they appear most frequently when all the practical faculties of man are in their flower. Greece's genius in the arts corresponded in time with her study of politics and ethics and with her leadership in the moral standards of the world. Italy led the world in artistic light in the same centuries that saw her busy about exploration, science and practical concerns. So in the age of Elizabeth, and in the most glorious days of Holland, and in ancient Rome, the light of the spirit has burned brightest when the hand was on the plow; when the general mind eagerly attacked the practical problems by which it was confronted. While no barometer can foretell the rise and fall of genius, whatever hard work our generation undertakes, in reducing poverty, in inventing flying,

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## PROGRESS

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in preserving forests, in tinkering or replacing political machinery, in building up a religion of humanity, will increase and not lessen our chance of registering the soul of this time in some word or shape that the world will not readily let die. The lights of inspiration come when they will, but more willingly when we are proving ourselves men, active in the appointed task.

The ideal of culture is coming to include relevancy, sympathy, comprehension of the actual. Indeed, this is one of the widest intellectual chasms between antiquity and ourselves. The man who did the ordinary labor of the world once lay outside the calculations of the prosperous. Labor was the badge of a lower state. The Greeks, for example, although ethically so far ahead of the surrounding nations, and intellectually for a short burst superior to any race that has lived upon the earth, were not permitted to work out principles which had their most eloquent expression in Galilee. A frivolous toast, "Here's to the rich, God bless 'em, and as for the poor, damn 'em, they's used to it," breathes a view held less widely now than ever before. We have undertaken to carry freedom beyond declarations of independence, beyond the machinery of govern-

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## INDUSTRY AND PROGRESS

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ment, and to introduce it into economic life. Churches begin to realize that if they are to survive with any moral leadership, or even with any moral function, they cannot treat this group of questions without courage. The colleges are undertaking a double help. Courses such as this are founded by men who, like Mr. Page, realize how much may be gained by suggesting to young men the obligations of their future lives, and the colleges in the main, in approaching economic problems, are braver than the churches. In addition to such ethical enlightenment, moreover, they are undertaking to relate their teaching to the varied needs of men. The tendencies of even the older eastern colleges show something of this change, in more freedom of choice in new and practical courses, in endeavoring to lower the age of graduation, and in a spirit of sympathy with whatever may be the labor of the student's life. It is, however, in other regions of the country, and especially in the West, that the relation of the college to the people's life has grown most close. The University of Wisconsin guides citizens of the state in the most immediate problems that confront them. The farmer, who once distrusted the college, now follows trustfully. Because of

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## PROGRESS

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higher education the human laborer grapples with the earth upon more even terms. Cultivation is the ability to realize ideal values; but training of the brain, insight into truth, harmonious valuation of this world, can be acquired not only from the Greek and Latin tongues, but also from the processes of nature. Literature, language, philosophy and history help to enlarge the vision, to refine and guide the mind, and never should the colleges lose sight of breadth of view, of exquisiteness of taste, of the eternities, but if culture is unrelated to present life, it runs into formality; it becomes an echo; and even "the light that never was, on sea or land" is safer if it plays about the busy haunts of men. Perhaps the college needs to be careful not to allow the older culture to be endangered, but with wisdom it can save that culture and yet make itself the servant of a larger class. When Charles W. Eliot left Harvard, that institution had in thirty-five years lost nothing in ripeness of atmosphere, and it had been helped by the quality of his mind to adapt itself to the requirements of changing civilization. When Yale selected as her present leader a man distinguished for his grasp of economic truths she recognized that the movements offered to the sanest thought



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## INDUSTRY AND PROGRESS

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of man today are associated with the production and distribution of wealth. Goethe, the most cultivated of men, predicted, with the clearness which was his, that by the end of the nineteenth century the dominating problems would be those connected, directly or indirectly, with the industry of the machine. The fulfilment of his vision explains the part which the machine has played in the course of thought attempted in these lectures. This is a course in the ethics of business, but ethics is not something unchanging, dogmatic, abstract. The moral truths which dominate a time are brought to the front by the circumstances of the time. The feudal system could not lay stress on the virtues which became most important to an industrial bourgeoisie.

We have seen that the discovery of the power of steam and the invention of machinery put a magical weapon into the hands of the human race. They brought it about that if a man labors for a given time, the result of his labor, in clothing, fuel, vehicles, books, is much greater than it was before. They not only increased the productivity of labor, but changed the conditions of work and man's relation to his fellows. I wish to end this volume by summing up the progress already

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## PROGRESS

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touched on, and by describing the spirit in which progress may be quickened and assured. An interesting remark by W. R. Greg, in his "Realizable Ideals," is that there was little difference in power between the lamps used in the days of the pyramids and those used a hundred years ago; between the lighting of city streets in the days of Pharaoh and in those of Voltaire. Moreover, the laborer's cottage formerly had no window. In travel Nimrod and Noah were on an equality with Franklin. When Abraham sent a message to Lot, or Ruth to Naomi, or David to Jonathan, the method was as efficient as any open to George Washington. Robert Bruce traveled like George the Third, and Ulysses may have sailed as fast as Paul Jones. Travel and light, however, are not the most important contributions to happiness of our modern civilization, nor are garments, although it may be observed in passing that Queen Elizabeth is supposed to have worn the first pair of knit hose ever brought into England. Men do not grow old as rapidly as they did before machinery undertook the heaviest work. Their minds are better stimulated. The relative number who have the narrowest outlook is constantly and rapidly decreasing. Modern in-

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## INDUSTRY AND PROGRESS

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dustry has so greatly diminished that universal scourge Poverty, that even in the London slums conditions are improving. Before an investigating commission in London,\* one of the most experienced speakers told of a time in his memory when husband and wife sometimes had to sit up alternately to protect their children from the rats which swarmed up from the sewers, and when cesspools were often not more than a foot below rooms teeming with families. Poverty increased until the cotton manufactures came, since when, taking decade by decade, it has been on the decline.† Colonel Wright tells us that before the factory was established, the working classes of England lived in hovels and mud huts that would not be tolerated even in the worst coal-mining districts in this country or in England today. As to the justly abhorred sweating system, it "is the old hand system prior to the establishment of the factory," which had been universal. It is of the Reformation period, in France and other countries, that Colonel Wright describes the life of the peasant as one of hopeless

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\* Wylie's "Labor, Leisure and Luxury."

† See Carroll D Wright, "Some Ethical Phases of the Labor Question."

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## PROGRESS

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and perpetual agony. He lived in a hut, like a hare in his hollow, near the palisaded inclosure of his lord, "in want and fear, hardly sheltered and not at all fed, a prey to epidemic diseases; later to go out starved and trembling to see his plot of ground and harvest in cinders; to repair the damage and begin again, with the prospect of another similar catastrophe." Again: "Huddled together in what poetry calls a 'cottage' and history a 'hut,' the weaver's family lived and worked, without comfort, convenience, good food, good air, and without much intelligence. Drunkenness and theft of materials made each home the scene of crime and want and disorder. Superstition ruled and envy swayed the workers. If the members of a family endowed with more virtue and intelligence than the common herd, tried to so conduct themselves as to secure at least self-respect, they were either abused or ostracized by their neighbors."

Mr. D. A. Wells, giving a similar view of history, hardly exaggerates when he says that the very outcasts of England are now better provided for than were multitudes of her laboring men some sixty years ago. One writer, describing the time of Henry III., says of the working-

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## INDUSTRY AND PROGRESS

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men of those days that they were worse clad, worse fed, worse housed, worse taught; that they were sufferers from loathsome diseases which we know nothing of; that the disregard of human life was so callous that we can hardly conceive it. There was everything to harden, nothing to soften; everywhere oppression, greed and fierceness. The law of the land was intensely cruel and merciless, and the gallows and the pillory—never far from any man's fire—were seldom allowed to remain long out of use. Here is an inventory\* of the household furniture of a peasant six years before the death of Edward I.:

	£	s.	d.
A maize cup,	0	0	6
A bed,	0	1	6
A tripod,	0	0	3
A brass pot,	0	1	0
A brass cup,	0	0	6
An andiron,	0	0	3 1-2
A brass dish,	0	0	6
A gridiron,	0	0	5
A rug or coverlet,	0	0	8
	0	5	7 1-2

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\* Eden, "The State of the Poor."

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## PROGRESS

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Such a man could earn but twelve cents per week. For three or four centuries following the thirteenth century the standard changed surprisingly little. In "The Rise of the Middle Class," M. G. Mulhall, in the *Contemporary Review* for 1882, supporting the position that the rich are not individually as wealthy as in the past, estimates that the proportion of persons in middle fortune has doubled, and the condition of the working classes has improved in even greater degree than the growth of capital. In countries where the earnings of the strictly so-called working class form the bulk of the national income, as in Russia and Italy, the people are not so well fed or prosperous as in those (like Great Britain and France) where machinery has largely taken the place of manual labor. "In the early nineteenth century the agricultural laborers of Sicily and the Lombard plains, the rent-racked peasants of parts of the Comarca and Campania, the migrant harvestmen, whom poverty drove from the Abruzzi to sow the Maremma with their bones, had a lot of hopeless misery, beside which that of the English factory slave or Irish peasant was bright."\*

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\* Bolton King, "A History of Italian Unity."

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## INDUSTRY AND PROGRESS

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In forty years the consumption of food in England per inhabitant increased as follows:

	1840	1880
Tea, ozs.,	22	73
Sugar, lbs.,	15	54
Wheat,	269	358
Meat,	84	118

In the same period the ratio of savings bank depositors increased over 300 per cent, the ratio of paupers fell to the lowest known since the beginning of the century, and the persons unable to sign the marriage register fell from 42 per cent. to 23. Robert Griffen, president of the Statistical Society, comparing two periods in the nineteenth century about fifty years apart, calculated that the later workman got from 50 to 100 per cent. more money for 20 per cent. less work; that in the same proportion he was better fed, clothed and housed; and that he paid less taxes in return for much greater service from the government. Real wages probably rose about 60 per cent. in the United States between 1860 and 1891, and about 70 per cent. in Great Britain.

These random illustrations will serve to cast doubt upon the poetic view of poverty in the golden past. The error grows largely from the

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## PROGRESS

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habit of comparing the man who now makes the tenth part of one article with him who formerly made it all. The factory laborer, however, corresponds not to the village blacksmith, who was one of the leading men in his region, but to the agricultural or common city laborer. If history is read truly, the well-to-do and poor alike have more material possessions than formerly, at a smaller labor cost, and the world is a better place for both of them.

This superiority of our day is not material and intellectual alone. It is also spiritual. The human awakening is one of the glories of the modern world. Long before machinery was introduced, little children were compelled to work like slaves, but, as President Hadley says, it was only after the factory was born that their wrongs were noticed. As late as the middle of the eighteenth century, with only a blanket for clothing, women were harnessed to trucks, underground, and women were let out in droves to overseers whose cruelty could not even be conceived today. What most people then thought of such abuses may be guessed from the fact, already mentioned, that even John Bright thought that competition must have its ruthless way. Who would dare to put



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## INDUSTRY AND PROGRESS

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forth in Congress today the political mummery thus set forth by a member of Parliament a little more than 100 years ago?

“It was necessary that the bulk of the people should be very poor in order to render them laborious; that the lower ranks should have but little prosperity, in order to excite their industry; and that there should be some extremely rich, to supply the state in cases of imminent exigency, and advance schemes and enterprises which required capital.”

Democracy seems to make for morals in most of the great departments of our lives. How long ago was bribery respectable in England? Slavery died but yesterday. Not ten years ago rebates were granted and received without a question; almost no one realized a sin in the conspiracy of railroad and shipper to murder a competitor. The country needed to be educated to the evil of selling falsely labeled and adulterated food before the pure food bill could become a law. We are only beginning to realize the moral obliquity of inside speculation by corporation directors. When I was a boy, sharpness in business, “Yankee shrewdness,” was admired by a type of mind which now regards with distress the ruthless overreaching of our fellows. In my own pro-

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## PROGRESS

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fession there are greater seriousness and sense of responsibility than there were fifteen years ago. A general heightening of the moral tone can be seen everywhere—slow, no doubt, and subject to setbacks, but still a power. As long as one genuinely believes in progress he can walk through oceans of mediocrity, undiscouraged. The strength or courage or persistence which used to go to storming citadels or burning heretics will be turned toward eradicating the common house-fly, stopping habits which breed or spread disease, perfecting machinery, planting trees, increasing efficiency, securing better houses, or fairer wages, or shorter hours. In pursuing such ends scope can be found for the human virtues, practical and ideal, although it requires more imagination, no doubt, to discover inspiration in new tasks than to read in literary masterpieces about what other ages have accomplished.

In this progress I think the step we most need now is to free ourselves from that degree of luxury which means enslavement. "Cæsar once," said Plutarch, "seeing some wealthy strangers at Rome, carrying up and down with them in their arms and bosoms young puppy-dogs and monkeys, embracing and making much of them, took occa-

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## INDUSTRY AND PROGRESS

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sion not unnaturally to ask whether the women in their country were not used to bear children." Too heavily laden dinners, poisonous drinks, needless lackeys, and similar destructive encumbrances, ought to be seen in a clearer light. It would be a gain indeed if society could see something coarsely wrong in whatever is morally injurious to the owner and a burden to his struggling fellow man. Perhaps if many thousands of the most favorably placed persons could realize that their power to do good depends, directly or indirectly, upon their freedom from many possessions, it might be possible to establish new standards of social praise. Spiritually he can accomplish most who has the fewest lowering needs. If there are any final solutions to the intricate problems by which the world is faced, those solutions will require, in every case, an increasing trend in us all, and especially in the well-to-do, toward simplicity, toward an intimate concern for those who are less favorably placed, and for those who, coming after, are to enter a world prepared by us for their reception.

The bread returns upon the waters. A life is measured not by its specific pleasures, but by the sense of worth with which it is interfused. It is

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## PROGRESS

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not the worker for ideal ends whose own hand impatiently draws for himself the final veil. Joy turns to ashes only when it is sought in things which are too near and small. The man for whom the simple moral principles are not only spoken but also lived in truth and filled with light,—he is a man for whom vanity of vanities is the worst of all descriptions for the world he loves. Nothing is more entirely proved by the most ordinary experience than the superior happiness of the man or woman whose ego is almost forgotten in the universe of which it is a helping part. We think often of this ethical progress as if it meant a sacrifice by the prosperous; as indeed it does, but a sacrifice of the limited to the abundant; a sacrifice which, if truly made, is paid for many fold. Is virtue dull? It is the only thing that never can grow dull. In the intellectual richness of the Christian gospel, no sayings are profounder than those which tell how the individual multiplies his own life by devoting it; and what the Bible thus says, the philosophers and poets of all time have said, and are saying now, and must ever say, since it is true.